

98-84325-11

Bond, William Key

Speech of Mr. Bond, of
Ohio, on the treasury...

[Washington?]

[1840]

98-84325-11
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

Bond, William Key, d. 1864.

Speech of Mr. Bond, of Ohio, on the treasury note bill [microform]. Delivered in the House of representatives, March 18, 1840. [Washington? 1840]
31 p. 24 cm.

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 11:1

IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 2/4/98

INITIALS: FC

TRACKING #: 29960

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Bond, William Key

Speech of Mr. Bond, of Ohio, on the treasury note bill.

Bibliographic Irregularities in the Original Document:

List all volumes and pages affected; include name of institution if filming borrowed text.

Page(s) missing/not available: _____

Volume(s) missing/not available: _____

Illegible and/or damaged page(s): stains throughout title

Page(s) or volume(s) misnumbered: _____

Bound out of sequence: _____

Page(s) or volume(s) filmed from copy borrowed from:

Other: _____

Inserted material: _____

TRACKING#: MSH29960

332.4

20.14

110-14
2-14

SPEECH OF MR. BOND, OF OHIO,

ON THE TREASURY NOTE BILL.

Delivered in the House of Representatives, March 18, 1840.

Mr. BOND said that, after the very interesting and instructive speech of the gentleman from Georgia, (Mr. King,) who had just taken his seat, he felt that the remarks which he was about to submit would seem comparatively dull. He said he was but an humble gleaner in the field of debate; and at present merely aimed to present to the committee and to the country a few prominent facts, which he thought tended to illustrate the causes which have brought this nation to the necessity of borrowing money to meet its ordinary expenditures! Mr. Chairman, the state of our public concerns at this moment is very remarkable, if not peculiar. We have an Administration in power who profess to be friends of a hard-money currency, and invite the passage of a law requiring the collection of all public dues in coin, but propose to pay their own debts in paper, the notes of their Secretary of the Treasury! And at this crisis we are urged to provide places of safety for the public money, and to create a host of new officers, with large salaries, to watch over an empty Treasury! This looks something like shutting the stable door after the horse is gone!

Is not this case fairly stated? You would not grant this, I admit, if you look merely at the last annual message of the President, and the report of the Secretary on the finances. These documents come in at the first of the session, and, being always sought after and read with intense interest, they are generally dressed up in holiday suit, and sent forth with the cry of "all's well!" Many thousand copies of them are printed by Congress, at public expense, and circulated throughout the country. Hence it would be unwise to insert in these papers a fact so well calculated to alarm a free and watchful People, that we have an empty Treasury! But, after administering to the nation a soothing anodyne, wrapped up in the annual message and finance report, and when curiosity is no longer active, Mr. Secretary Woodbury writes a letter to Mr. President Van Buren, who communicates it to Congress, invoking us to the immediate passage of a law authorizing the issue of Treasury notes in order to preserve the faith of the Government in the payment of its debts!

And how will the issue of Treasury notes preserve this faith, which we all admit should be kept sacred? I am ready to vote any sum of money which the Administration will say is necessary for the purposes of the Government, but I wish to do it directly. If money is wanted, let the Government borrow it at once. By doing so we can avoid the deception which the Treasury-note system practises on the People, and, at the same time, test the practicability of the hard-money currency which Mr. Van Buren professes to believe in. The country would then see the amount borrowed, and the terms and cost of such loan. Then, too, the public creditors would get their money, and the public faith would be preserved.

But, I again ask, how does the issue of one set of Treasury notes, to take up others previously issued, preserve this faith? We are told by the President that, since 1837, this Government has issued near twenty millions of dollars in Treasury notes; and that about two millions of these remain to be redeemed, falling due in March, April and May. I should like the chairman of the Committee of Ways and Means, (Mr. Jones,) who is presumed to be on the most friendly and familiar terms with the Administration, to inform us in what way it will preserve the faith of the Government, which, having given its notes promising to pay a sum of money by the 5th or 7th of March, takes up these notes by the substitution of others in their stead! It has been said, indeed, that these Treasury notes are sold in the market, and the proceeds used. If so, I wish to be informed of the details of these operations. If these notes are not paid directly to the public creditors, but are sold in the market or pledged with banks or brokers, the terms and manner of raising money on them ought to be disclosed. We have large items of expenses incurred in issuing these notes, and still larger expenditures for interest paid on them, amounting to many thousand dollars. I desire to know where, and upon what terms, the Secretary converts them into money. The Treasury-note system is a deceptive one generally; but the till now under consideration is particularly so. At a first glance, it would seem to limit the issues under it to five millions of dollars; but a careful reading of it discloses a lurking power to renew, from time to time, and in effect to continue a standing issue of Treasury notes. This is the beginning of a Treasury-bank system by a professed hard money Administration! The sequel will prove that Mr. Van Buren's professed faith in an exclusive metallic currency, will result, if indeed, it was not so designed, in the destruction of all Exclusive banks, and a substitution of not a metallic, but a Government paper currency! To all this I am opposed.

I am ready to vote the power to borrow money, in express terms, if needed for public purposes; but I am constrained to ask how it happens that we are reduced to this painful and mortifying alternative? whence comes the great and extraordinary revenue not only on our debts, but in all business and individual trade, through the entire country?" Mr. Buren said he was aware that the friends of the Administration had endeavored to charge the Opposition with a design to set up a cry of distress when there was really no distress in the land. He denied the justice of this imputation on any past occasion, and felt assured that the country had often suffered by the assaults of the past and present Administrations on the banks and currency of the nation. We had, by our vigor and by our varied resources, recovered from these shocks on several occasions, and then the friends of the Administration would proclaim that the whole affair had been fictitious, and that a false alarm had been created. But I fear that the wolf has at last come, and that the evils which the Whig party foretold would result from the policy of the Administration on the currency and credit system are about to be realized. The distress of the country is now admitted by all. And Mr. J. G. Jackson, the worthy chairman of the Committee of Ways and Means, (Mr. J. G. Jackson) tells us that the revenue "may possibly be affected by the universal embarrassment which seems to have spread over the whole country." This, then, is no panic, it is sad reality, and we may well weep over the distressing reverse. What was our situation, and what is it now?—The sound and uniform currency which we enjoyed when Mr. Van Buren became Secretary of State in 1829, must be familiar in the recollection of the committee. At that time, and for several years afterwards, the public revenue was collected with great ease, and, parceller and parceller, with perfect punctuality. Specie was the basis of all the bank notes of that day, whether of the United States Bank or State Banks. He who held a bank note could always convert it into specie. The business of exchange was regular, and the premium, the premium being often less than one-half of one per cent, was equal to the cost of transporting the specie from the place of drawing to the point of payment. The notes of the Bank of the United States were equal, everywhere throughout the country, to specie, and in many places absolutely commanded a premium over it. The State banks, too, justly commanded the confidence of the community. Confidence is every thing in the business of life—it is credit, and "credit is money!" it is the poor man's capital. The rich often need it, but the poor man relies upon it. Having established "a good name," he thereby obtains the means of prosecuting any business which his capacity and enterprise may qualify him for. In this way he is placed on an equality, and may hazardously and successfully compete with the rich. All business was then conducted with entire security, a security which imparted stability to the currency of the country. Agriculture, commerce and manufactures, with all the mechanic arts, furnished in their respective spheres, and every branch of industry received its just reward. But now, how changed the scene! The Administration, speaking through the chairman of the Committee of Ways and Means, (Mr. J. G. Jackson) admits that a "universal embarrassment seems to have spread over the whole country." The daily accounts brought to us, from all quarters of the nation, show a most alarming reduction in the value and price of every description of produce and property. The President, in a time of profound peace, calls for financial aid; he cannot meet the public engagements! Being unwilling to borrow money openly, and thus disclose his wants, the Treasury, he asks to be allowed to beg day with the paper credit of the country. It is true, indeed, that an attempt is made to secure the paper credit of the Treasury and meet its engagements if the banks would pay up the balances which they owe the Government. But such is not the fact. The chairman of the Committee of Ways and Means, (Mr. J. G. Jackson) who speaks in this matter as the organ of the Administration, admits that the amount due from the deposite banks is but eight hundred and five thousand dollars. This sum is not equal to one-half the amount of Treasury notes now outstanding against the Government. Besides, this debt of the banks is in a course of payment in periodical instalments, by an arrangement with the Treasury, and could not, therefore, have been relied on as a fund to pay Treasury notes at this time.

For this same purpose a reference is made to the United States Bank of Pennsylvania, whose fund is said to be in imminent danger next September, on account of the sale made to that institution by the Government in its stock in the Bank of the United States. I will say a few words on this flimsy pretext for passing this bill. Why did not the Secretary of the Treasury, Mr. Woodbury, accept payment of this bond when it was offered to him? You are aware, sir, I presume, that the Administration—in which Mr. Van Buren and Mr. Woodbury filled conspicuous places—did, for a series of years, deify the value of the stock in the Bank of the United States, and openly proclaim that the interest which the Government had in it would be lost. Will you not be surprised to learn that these same gentlemen, when the charter of that bank expired, actually devalued and obtained a premium of \$15.50 every share of this stock? It is a fact, a plain fact, to the Government, that more than eleven hundred thousand dollars on which the people were induced to believe would be safe, was taken by the United States Bank of Pennsylvania, and bonds made payable in four annual instalments with interest. The Secretary of the Treasury was afterwards authorized, by an act of Congress, to sell the two last of these bonds, the others being paid or near maturity at the time.

We learn by Mr. Woodbury's report, made on the 24th December, 1838, (see Senate Doc. No. 21, 31 Session 25th Congress,) that he advertised these bonds for sale, in virtue of that law, and that in due time the bank itself, through an agent, Mr. Charles McAlister, proposed to purchase both bonds, and to pay therefore the principal and interest, computed in all respects as the law required. Did Mr. Woodbury accept this offer? He tells us in the report just referred to that he

sold the bond due in September, 1839, but concluded not to sell the other, which will not be due before September, 1840. And why? The law authorized it, and he advertised the sale of both; but, when a purchaser offers to take them on the terms provided in the law, the Secretary concludes to sell only one! Here was an opportunity to receive at once the whole sum, principal and interest, due on both bonds, but Mr. Woodbury absolutely refused it; and now he and the President are in a position to accuse them of being ungrateful to the country for Treasury notes, because the bank does not pay this debt! It is unnecessary to dwell longer on contention on these facts.

But what excuse had the Secretary for not selling the last bond, after advertising and receiving an offer for it at its par value? I will read you his own words:

"The Department, hoping it might be able to get through the year without the sale of more than one bond, provided the second one, due in September, was paid punctually, and in money, rather than in new Treasury notes not receivable, as is contemplated in this, that it might soon have a bet or offer from abroad, conducted the sale uncontrollably of only one bond."

Can it be possible that Mr. Woodbury expected to meet with any one simple enough to give an advance beyond the principal and interest of one of these bonds, having only about two years to run before it became payable, and the payment of which was not to be guaranteed by the seller? He was offered the whole debt, and would not take it, because he hoped to get more! I need not say he was disappointed. I cannot believe he was sincere in saying he expected to "have a better offer from abroad." No, sir, one of the motives for suddenly declining to sell or accept payment of this bond group, was an unwillingness to accumulate a large sum of money in the Treasury, by which he could have been obliged to pay the annual instalment to the States, as the law then in force required. The Executive branch of this Government, it is well understood, were opposed to the measure of depositing the public money with the States, as it had done, and to such a plan that could prevent that law from being carried into effect. But having refused to accept payment of the debt from the bank before the maturity of the bond, it is a mere pretext for passing a Treasury note bill to say that it is rendered necessary because that debt is not paid. And now, if, by any misfortune or other cause whatever, in this general deluge over the business and institutions of the land, the bond in question, due next September, be not paid, let the responsibility rest on Mr. Van Buren and Mr. Woodbury, who refused to accept payment, though offered in strict compliance with an act of Congress, for the purpose expressly passed.

Another of Mr. Woodbury's acts for wishing a power to issue Treasury notes is found in his communication to the President, and made the subject of his special message recommending the passage of the bill now under consideration.

After saying that the money in the Treasury for general purposes, at the end of February of this year, will be one million three hundred thousand dollars, he adds that "not over two thirds of this will be situated on the seaboard, and convenient for use to pay pensions and redeem Treasury notes." Here is an illustration of the benefits of the hard-money system. Until within a few years past, we had a system of finance by which the public money was, at a moment's warning, paid free of charge, at any point where the necessities of the Government required it. That system has been abandoned, and we are now compelled to pack specie, at great personal risk and inconvenience, to the remote land offices in the far West, to pay pensions and other public uses, the Secretary of the Treasury and President tell us, "it is not situated on the seaboard, and cannot be conveniently used." Wherefore they ask the power to pay in Treasury notes that very portion of the public engagements which, above all others, they have professed a wish to pay in hard money; I mean the pensions due to the old soldiers. But more. Having issued a large amount of Treasury notes which fall due about this time, they profess to have the money to redeem them, or a part of them, at all events, but it happens not to be "situated on the seaboard," and is not "convenient to use." So, said their keepers, they propose not to pay the money on their Treasury notes now falling due, but the reduced value of "paper promises to pay" by a new edition of these same "paper promises to pay," with the very "pretty pictures" on them heretofore so much ridiculed by this hard-money administration.

I fear that there is a settled purpose, indirectly but certainly, to establish a Government exchequer or Treasury bank. The bill under consideration goes far towards it: and coupled as it is with Mr. Woodbury's last annual report on the finances, no one can doubt of the ultimate result, if not design.

One of the chapters of that report has a most ominous caption. It is this: "On some permanent safeguard under fluctuations in receipts and expenditures." Under this head the Secretary says:

"The national pride, so less than its national honor and credit, appears to be concerned in adopting some measure to subserve the public interest, creditable to free institutions, and possessing a permanent influence to prevent unpopulated the public faith."

One more quotation from that ominous chapter will suffice; it is in these words:

"It is hoped that an actual failure to furnish means to make prompt payment, under all contingencies, and thus producing the very violation of good faith so much to be deprecated, will not be necessary to awaken its guardians to the need of some such remedial provision; a provision, without which, in the shape of an investment or large balance on hand, or otherwise given, to meet certain contingencies, the revenue proves insufficient for the whole, or some power to borrow money, or issue on interest, when necessary, creditable to the public, and the financial system, in any enlightened country, has been or can be long administered with safety or security."

Look now at the bill upon your table, and you will find that the plan last mentioned in the quotation from the Secretary's report has been adopted. It is, in effect, a standing power to Mr. Woodbury, or his successor in office, to issue Treasury notes. Is this necessary for the safety and welfare

of this nation? And is Mr. Woodbury justified in saying that the financial system of this country cannot be administered with safety and honor without this power? I do not believe it is so. We have passed through every difficulty, through good and through evil report—during the last fifty years, without this alleged "paramount authority." The experience of these last years, and the present crisis in particular, convince me that, so far from justifying this power, there is a much greater reason to fear and be jealous of it. It is urged upon high and flattering considerations: our national pride, honor, and faith, are addressed by the Secretary. But I must declare my fear, that it will be found fraught with as many secret evils against the liberties of this country as pointed forth from the body of that far-famed horse which bitter enemies, under the guise of friendship, placed within the walls of Troy! It will be time enough to create this power to borrow money, when it is needed; "Sufficient for the day is the evil thereof." Such has been the usage of our Government, and it has proved sound. We have prospered under it. We have had experiments enough; let us try again. Unless a clear necessity exists for it, Congress is in session every year, and, of late years, the intervals between some of the sessions are becoming very brief. Let this power, then, remain where it is, in the hands of the people, to be exercised by them, through their Representatives. The Executive is already too strong; it is grasping and is daily enlarging; its right arm, the money power, should rather be weakened than invigorated; and, if my vote can do this, it shall be done.

Having examined the principal reasons of the President and Secretary for this Treasury note system, Mr. B. said he would again recur to the deranged state of the currency and exchange, and to the universal embarrassment which "seems to have spread over the whole country." It is this which has brought this country to the necessity of borrowing money for its current expenditures. Was not this state of things, and is not the said reality now before us? To avoid responsibility, or with sincerity of purpose, to have sought ingenuously to find our cause for our present national and individual distress. They may deny the sincerity and ingenuity of those whom I shall assign, and have already alluded to. They are at last, however, brought to admit that the nation is reduced to the necessity of borrowing money to pay its debts, and that "the general embarrassment seems to have spread over the whole country." However much we may differ about the causes of this calamity, all will agree that, on the 4th day of March, 1829, General Jackson came into power, we labored under no such evils, national or individual, as it is now admitted we are suffering. In all the party confusions which immediately preceded his election, and when zed, and after partisans daily taxed their ingenuity to prefer charges, not one word was uttered which pretended to a famine, national or State, or which suggests any defect in the circulating medium, currency, or exchange, "banks," which has been used since the grand fever to move the People, and carry all elections, was over, through the "monster" was then in full life. Indeed, so far from any fault being found with this institution at that time, Mr. Inglam, the first Secretary of the Treasury under General Jackson, in one of his early official letters to the bank, dated the 29th June, 1829, used these very words:

"I take occasion to express the great satisfaction of the Treasury Department at the manner in which the president and directors of the parent bank have discharged their trusts in all their immediate relations to the Government, so far as their transactions have come under my notice, and especially in the facilities afforded in transferring money, and in the preparation for the heavy payment of the public debt on the 1st instant, which has been effected by means of the prudent arrangement of your board."

The times I allude to filled the air with bloated accounts of useless and unnecessary clerks and officers in the different departments, and with the like, and equally extravagant representations as to the expenditure of public money, under the administration of the venerable and upright, virtuous and intelligent gentleman, now a member of this House, from Massachusetts, (Mr. Anans.) These things went forth to the People with shouts of promised retribution and reform. The pretensions of the party were either false, and the People voted under gross deception, or, if true, the promises have not been kept, and the People have been equally deceived.

A few quotations from one of the reformers of that day will illustrate what I have just said. I mean Mr. Buchanan, of Pennsylvania, then a member of this House, and now a leading friend of the Administration in the Senate. In the famous debate on retrenchment and reform, immediately preceding General Jackson's election, Mr. Buchanan said:

"I believe it is necessary that all the public expenses should be subjected to a most rigid examination. That absurd exists which ought to be removed, but, notwithstanding a multitude of doubts, " " When (said he) we come nece the work of reform, I wish to enter upon it seriously. I wish the House to be prepared to act with wisdom and with energy in cutting off the useless branches of public expenditure."

And again he said:

"The power and patronage of the Government have been extended, and are felt in every neighborhood of this vast country. There is now infinitely more danger of consolidation than of division; and the States should now be jealous of every power which can agitate the Union."

In connection with this sentiment, Mr. Buchanan said:

"I have been called a federalist, and I shall never be ashamed of the name."

This is a true federality; it seems, is one which Mr. Buchanan wears with ease and complacency, and will make us ashamed of, though the official organ of the Administration, the Globe, is a daily reviler of it. But it is not my purpose to set this difference of opinion between these two friends, Mr. Buchanan and Mr. Blair; it is their own affair, and they, no doubt, understand each other. I will not lose sight of Mr. Buchanan's promise "to remedy the abuses and retrench the public expenditures." All this was proved but vain and empty clamor. It turns out that this

vaunted reformer, who made public "proclamation that he was not ashamed of being a federalist," and declared that in due time he would "commence the work of reform," and "enter upon it seriously," and with wisdom and energy, "engage in cutting off the useless branches of public expenditure," and would provide "remedies against all abuses," as well as against "the power and patronage of the Government, which extended and were felt in every neighborhood of this vast empire"—I say, it turns out that this very reformer never *commenced* the work. Did he find it "a most troublesome, thankless, and hopeless task," as in the debate, he said "it was generally thought to be?" From December, 1829, to this moment, the People have been led on step by step, under the application of one seductive nostrum after another in quick succession: occasionally the wretched influence of some of these quack medicines were thrown off, and the vigor of the country seemed partially restored; but another dose, a gilded pill with its glittering lustre, was immediately taken; and all its noxious consequences are upon us. In that same speech of Mr. Buchanan already referred to, he says:

"It is a maxim of despots that the People should never inquire into the concerns of the Government. Those who have enslaved mankind, from Caesar to Bonaparte, have always endeavored, by presenting them with amusements, and by every other means in their power, to attract the attention of the People from the conduct of their rulers."

The People are not to be trifled with; what has brought this calamity on the land, and I propose to state, while, in my judgment, have had a leading agency in it. But I wish it to be distinctly understood that, in any thing I have said or may say, it is not meant, nor do I design it to be construed, as proposing to disturb the country with the question of incorporating a Bank of the United States. I am confident it would have been fortunate for the People if that institution had never been destroyed. But it has been put down, and in my judgment no attempt should be made to incorporate a similar institution, unless the People themselves, in their primary assemblies, so direct their Representatives. My object is simply to submit the leading facts which I think brought the country to its present embarrassment.

I repeat, then, as my deliberate conviction, that the measures of the past Administration, commenced while Mr. Van Buren was Secretary of the Treasury, and continued by him under his own Administration, and the principal, if not the entire, agency in bringing this distress upon the country. It is my purpose to state, in the historical order, the leading measures to which I attach this responsibility. This I will aim to do with entire accuracy, by reading from the several volumes of public documents communicated to and printed by Congress. If gentlemen question any statement, as I proceed, I respectfully ask them to take the books, and read and satisfy themselves. Many, if not all the documents which I intend to read, have often been used in this House before.

I again repeat, then, that our currency and exchange were most happily regulated and preserved sound when, in December, 1829, instead of a plan for retrenchment and reform, the President, under Mr. Van Buren's advice, commenced his attack on the currency, and, to the surprise of all, on the bank.

The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles and such deep pecuniary interests, I feel that I cannot, in justice to the parties interested, too soon present it to the deliberate consideration of the Legislature and the People. The Legislature and the People, and the stockholders of the bank, are well informed of the evils of a uniform and sound currency, and it must be admitted by all that it has failed in the great end of establishing a uniform and sound currency."

Upon the delivery of this message, it was referred in the House to the Committee of Ways and Means, composed of a majority of the personal and political friends of General Jackson, and who had been very influential and active in elevating him to the Chief Magistracy of the nation. That committee, thus composed, made an elaborate and instructive report, from which the following passages are taken:

"Bank credit and paper are so extensively interwoven with the commercial operations of society, that even Congress had the constitutional power, it would be utterly impossible to produce so entire a change in the monetary system of the country as to abolish the agency of banks of discount, without involving the country in all the distressing embarrassments usually attendant on great political revolutions, subverting the titles to private property."

"Soon after the expiration of the charter of the first Bank of the United States, an immense number of local banks sprung up under the pecuniary exigencies produced by the withdrawal of so large an amount of bank credit, it necessarily resulted from the setting up of its competitor—Bank of the United States. Very soon after the liquidation of debts, and the being entitled to the salutary control which the Bank of the United States had recently exercised over the local institutions, commenced that system of imprudent trading and excessive issues which speedily involved the country in all the embarrassments of a disordered and depreciated currency."

"The Committee of the House of Representatives of the United States, express the opinion that 'it has failed in the great end of establishing a uniform and sound currency.' After giving to this opinion all the consideration to which it is so justly entitled, from the eminent station and high character of the man by whom it is entertained, the committee are constrained to express their regret but decided dissent from it."

"Human wisdom has never effected, in any other country, a nearer approach to uniformity in the currency than that which is made by the use of the precious metals. In the United States, with all parts of the Union, it would seem that the proposition is clearly made out that the bank has accomplished 'the great end of establishing a uniform and sound currency.' It is not denied that the bills of the mother bank, and of all its branches, are equal to each other in value, and are generally issued, and at which, upon their face, they purport to be payable. Nor is it denied that the bills of the bank, and of all its branches, are equal to specie in their respective spheres of circulation. Bills, for example, issued by the mother bank, are admitted to be equal in value to specie, and are paid in specie. Bills, issued by the Bank of Boston, and by the Bank of New York, are not contented that bills, not being redeemable at Charleston and New-Orleans, are not of equal value with silver or with the merchant who wishes to purchase cotton with these in those cities. Now, if the Philanthropic merchant L—

"For all the purposes of the revenue it is to the national currency that perfect uniformity, that ideal perfect uniformity, is to be desired. It is to be desired that the bank notes at Missouri be of equal value with specie at Boston in payment of debts; and the same is true of all other places, however distant, where the bank issues bills, and the Government collects its revenue. When it is, moreover, necessary to pay debts in foreign countries, the same uniformity is to be desired. And when it is necessary to pay debts to the Government to any point where they may be wanted, free of expense, it must be apparent that the committees are correct, to the very letter, in stating that the bank has furnished, both to the Government and to the People, a circulating medium of exchange, which is to be used in the payment of debts, and in the collection of debts, and in the discharging the public revenue. And when it is recollect that the Government annually collects and disburses more than twenty-five millions of dollars, those who are at all familiar with the subject will at once perceive that bills, which are absolutely uniform, value for this vast operation, must be very nearly so to all the purposes of general commerce.

Thus did the friends of General Jackson themselves describe the state of our currency, as may be seen in their report, No. 355, vol. 3, *Reports of Committees of the House of Representatives, 1st session 21st Congress.*

Having fully deliberated on the subject, those friends of General Jackson made their report, which may be seen at large in Senate doc. No. 104, vol. 2, 1st session 21st Congress. I will read from it the following passages:

"The currency of the United States, the only legal currency, is gold and silver; all debts to the Government, and all debts to individuals, being received in that medium, and in no other. As, however, the amount of coin required for these purposes would be unmanageable and inconvenient to the United States, like other countries, coin has been issued, and is now in circulation, consisting of gold and silver coins, and of paper money, which have been established, issuing notes promising to pay, on demand, in gold and silver. The Government of the United States has established one of a similar character; and, for the convenience of the community, the public revenue is collected in gold and silver, the notes of the Bank of the United States, and the notes of such solvent

Secondly. The coinage of the United States will render it capable of being used in the payment of debts, and of being exchanged for the products of the mines of gold and silver, and of states equivalent to gold and silver. And the Inquiry which naturally presents itself is, whether this mixed mass is sound and uniform for all the practical purposes of the Government, and the trade of the Union. That it is so will appear from the following facts:

the Government received

343 custom houses,
49 land offices.

42 land offices,
1001 post offices.

134 receivers of internal revenue

184 receivers of inter-

37 matrons,
33 clerks of court.

with other receiving of

persons dispersed through the whole of the Union, who collect the public revenue. From these persons the Government has, for the ten years preceding the 1st of January, 1839, received \$230,063,855 17. This sum has been col-

ced in every section of this widely extended country. It has been disbursed at other points, many thousand miles distant from the places where it was collected, and yet it has been so distributed and expended with the intent, as far as the committee can learn, of a single dollar, and without the payment of a single dollar, to the Government. That a currency, by which the Government can pay its debts, and without the payment of a single dollar to the Government, is a currency which will pay all its expenses, and that the national debt, is unsafe and unpayable, cannot readily be believed; for there can be no surer test of its sufficiency than the simple fact, that every dollar, received in the payment of a bank note, in the remotest parts of the interior, is, without charge, converted into a silver dollar, and paid in the payment of the vast number of persons who are in the service of the Government. The Secretary of the Treasury, in his annual report of the 6th of December, 1823, declares that, during the four years preceding, the receipts of the Government had amounted to more than ninety-seven millions of dollars, and that "all payments on account of the public debt, whether in principal or interest, or otherwise, have been punctually met, for the army, for the navy, for whatever expenses were, in any part of the Union, have been punctually met." It is thus and uniform for the Government, it is not less so to the community.

"22. If this country is to be thus sound and uniform, it must be by the precious metals, gold and silver; and, in a mixed currency of paper circulating with gold or silver, and convertible into the precious metals, the great object to be attained is, that the paper should be made to be equal to gold or silver; and it should be exchanged for gold or silver, at a fixed rate, and not at a fluctuating rate, perfecting, under the control of the Government, the circulation of the precious metals. Now, it cannot be left to the discretion of any individual, throughout this whole country, the circulating bank notes are equal to, specie, and convertible into specie. There may be, and probably are, exceptions, because among banks, as among men, there are some who make a show of ureal strength. But it is a fact, as far as commercial cities, and, generally speaking, throughout the whole country, as far as the notes of the State banks are equal to gold or silver. The committee do not mean to say that there may not be too many banks, or that equivalents do not occasionally occur among them; but, as far as every man who desires to maintain his character for integrity, and who is really so, and is not a speculator, and must, keep his notes equal to gold or silver, there can be little danger to the community while the issuer of the bank is restrained from issuing to exceed by the salutary control of the Bank of the United States, or, else, a clear and distinct standard of value. The paper is, then, the general credit of the banks is good, and that their paper is always convertible into gold or silver, and for all local purposes forms a local currency equivalent to gold and silver. There is, however, superadded to it a currency a general currency most known, now called the national bank, which is the paper of the national bank. These notes are receivable for the Government by the 9,000 receivers scattered throughout every part of the country. They are, in fact, in the course of business, gold or silver, though they are not legally or necessarily so paid by the branch banks, or by the national bank, or by the State banks, or by the remittance branches, though they are not without a reduction in value, and never, under any circumstances does the paper, from the remotest branches, vary beyond a quarter of one per cent. in its actual exchange for silver. Here then, is a currency as safe as silver—more convenient and more convenient than silver itself, which, though the whole Western world is in a currency of silver, is a currency, as far as exchange goes, not so safe as silver, inasmuch as it is liable to be paid in silver; and, when it is paid in silver, it is paid in the Union, equal to silver in payment to the Government, and payments to individuals in business; and which, whenever silver is not needed in any part of the country, will command it without the charge of the interest of the money, and will be exchanged for it in any other country. In no other country can a man do what every citizen of the United States can do—instance, his silver at St. Louis, or at Nashville, or New-Orleans, and receive notes which he can carry with him to any other city, and which are as safe as silver, beyond a quarter of one per cent. If, however, a citizen does not wish to incur the anxiety of carrying these notes with him, or to run the hazard of the mail, he may, instead of these, receive a draft, payable to himself, or his agent alone, so as to be entitled to the receipt of the sum amount of the draft, and which is not one-half per cent. above the amount of the draft. The amount of these bank notes, for instance, at St. Louis, or Nashville, can be transferred to Philadelphia, for one half per cent., from New-Orleans generally without any charge at all, at most one half per cent.; from Mobile, par to one-half per cent.; from Savannah, at one half per cent.

and from Charleston, at first from one quarter cent.

"This seems to be the only way to get the Union as near to perfection as could be desired; for here is a country composed of twenty-four different parts of the U. S. ion, obtainable by any citizen who has money or credit. When in his possession, it is equivalent to silver in all its dealings with all the 9,000 agents of the Government throughout the Union. In all his dealings with the interior it is better than gold, and in all his dealings with foreign countries it is better than silver, and it is better than gold in all its dealings with which he might it, it is at his disposal, most convenient, without any diminution, and never more than a diminution of one quarter cent. It is not easy to imagine, it is scarcely necessary to desire, any currency better than this."

"After escaping so recently from the degradation of a depreciated paper currency, the committee would abstain from every thing which might, however remote, revive it!" * * * * *
"Under these circumstances, they deem it prudent to abstain from all legislation, to abide by the practical good which the country enjoys, and to put nothing to hazard by doubtful experiments."

Happy it would have been for the country if this wise and prudent suggestion had been followed! But Mr. Van Buren and others of General Jackson's eleven hour friends prevailed—the attack is renewed in the message of 1834, and again in that of 1835. The counsel and advice of the early and wise friends of the President is disregarded. However, after a long and protracted debate, Congress is sufficient to pass a bill authorizing the Bank of the United States ; but the will of one man, a tyro, who is not even defeated it. And not satisfied with this victory, as if to hurry the catastrophe which has since overtaken the country, the Administration continued to dictate the existing relations between the Government and the bank under its charter, before the time of its expiration. And in the message of 1832 the following language is held :

"Such measures as are within the reach of the Secretary of the Treasury have been taken to enable him to decide whether the public deposits in that institution (the Bank of the United States) may be regarded as entirely safe; but as his judgment may properly have reference to this object, I need not enter into the details of his report, under the belief that they were of no value to the public in the present emergency. An inquiry into the transactions of the bank, embracing the branches as well as the principal bank, seems called for by the credit which is given throughout the country to many serious charges, impeaching its character, and which, if true, may justly excite the apprehension that it is not a safe depository of the money of the People."

In this, it will be observed that the President affects to believe that the public money is not safe in the Bank of the United States. He had succeeded in cutting off all hope of rechartering the institution; and it was then hoped that he would suffer it to proceed unmolested in the discharge of its various duties; for the remnant of time which remained under its original charter. Here again the message just read disappointed us. He now questions the safety and security of the public money in the bank, and after saying that the Secretary of the Treasury had instituted an inquiry

on that point, recommends the same inquiries to Congress. The 1st volume of Executive documents, being doc. No. 8, House of Reps., 2d sess. 22d Congress, shows that Mr. Louis McLane, as Secretary of the Treasury, in November 1832, appointed Mr. Henry Toland, of Philadelphia, to make the examination alluded to by the President. In appointing him, Mr. McLane says:

"It is expected that the examination will be as complete as the law authorizes, so as to ascertain the security of the public moneys and the solvency of the bank."

It is well known, that Mr. Toland is a gentleman of unqualified integrity, and possesses talents and qualifications eminently qualifying him for this trust. To that it may also be added, that he was an early and fast friend, personal and political, of General Jackson, with whom he held for several years, and until the close of his Administration, the office of Navy agent in the city of Philadelphia. These facts are mentioned to show that the report of Mr. Toland was entitled to the confidence of General Jackson and his friends. What was that report? The document last referred to contains it, and he there says:

"I called on the president of said institution, who gave prompt directions to the officers to furnish me with any books or documents belonging to the institution which I might consider material to such inspection."

And, after stating the details of his examination, he adds:

"For so far, I consider my report as complying with that of your letter directing the investigation, so as to ascertain the security of the public money and the solvency of the bank, neither of which can, in my opinion, admit of a doubt."

With this report, it is proper also to mention that the inquiry recommended to be made by the President was referred to the Committee of Ways and Means in the House, who, after examination, and upon proofs, reported fully. This is the conclusion of the report:

"It appears from official documents of unquestionable authority that the specie actually held in the vaults of the Bank of the United States is within one tenth of the amount held by all the other banks in the Union together, whilst its circulation is greater than one fourth of the aggregate of them. In other words, the Bank of the United States has now above nine million dollars in specie, and a deposit of seventeen millions and a half, whilst the aggregate of all the other banks, with their vaults of specie and circulation, have a circulation of sixty-eight millions of paper bank. If then, the evidence herewith submitted can be relied upon, which is all that can be relied upon, it is evident that the entire soundness of the whole bank capital, after meeting all demands upon it, either by its bill holders or the Government, depends in the opinion of the committee, that the bank is great credit, and in the well known character and intelligence of the directors we see testimony supports the fact above stated."

The following resolution concluded the report:

"Resolved, That the Government deposits at, in the opinion of this House, be safely continued in the Bank of the United States."

This resolution was adopted by the House, by a vote of 100 for it, and only 46 against it, and Congress adjourned. After this repeated testimony, solemnly borne by the friends of the Administration, in favor of the safety and security of the bank and of the public money then on deposit, the people of this country would gladly have their repose. The Administration, having failed to carry the point before Congress, now resolve to take the matter into their own hands; and here commences the plan to substitute State banks for the Bank of the United States. On the 23d of July, 1833, the President causes Amos Kendall, well known "as man of all work," to be appointed to negotiate with the State banks to become the depositories of the public money. This is the order of appointment says:

"In view of the opinion of the President that, hereafter as heretofore, bank agency will be found convenient in managing the fiscal operations of the Government, and as he can best do this in accordance with his favored sentiments, sanction any national institution or organization of the country, the retaining Bank of the United States, he teams it proper to ascertain whether all the services now rendered by it may not be performed by the banks incorporated by the 1st of March, 1832, or by a more favorable to the Government." (See Sen. Docs., 1st sess., 22d Cong.

Mr. Kendall accepts his appointment and enters upon his agency to decry the State banks. The particulars of his crusade I reserve for another part of my report. He succeeded in prevailing on several of these institutions to become the depositories of the public money, and makes his report to the Government. Mr. Duane, then Secretary of the Treasury, resisted this measure on the ground that Congress had just passed the resolution already referred to, and would again be in session, when the matter could be submitted to them. But this was exactly what the Executive wished to avoid. Congress, on full consideration and by a large majority, had passed a bill to recharter the bank, but this failed under the Executive power.

Mr. Duane's next insists that the bank is not a safe depository of the public money, and not only directs Mr. Toland to make an examination into its safety, but urges the same inquiry on Congress. Both these inquiries are made, and the people are adverse to his suggestions. His own personal and political friend, Mr. Duane, Secretary of the Treasury, advises against this same measure, and urges the propriety of submitting it to the Representatives in the people. But the people, in utter disregard of all these proceedings, and after the large vote of the House before given, the President resolved on substituting the "sic volo, sic jubes," as the law of the land, and commands a disconinuance of the United States Bank as the public depository! His Secretary is unwilling to do it—the law made it his province, if done at all; and, being unwilling to do so, he is constrained to resign. His successor, however, yielded a ready compliance, and the work was done!

This was the consummation of a series of measures which first disturbed and ultimately destroyed the system of finance, currency, and exchanges, under which this country was prosperous and happy. But General Jackson and his Cabinet promised and induced the country to believe that a

better system would at once be supplied. Two plans for accomplishing this were proposed in succession—one "the State bank system," the other "the gold humbug!" Mr. Bond said he would execute each in its order.

First, as to the State bank project. We have already seen, by the letter appointing Mr. Kendall to negotiate with the State banks, that he was required to ascertain whether all the services rendered by the Bank of the United States could not be performed by the State banks on terms equally or more favorable to the Government. Mr. Kendall, having visited most of the principal cities on this mission, made his report, which may be seen in Senate document No. 17, vol. 1, of the first session of the twenty-third Congress. He there says:

"Some interesting facts relative to the currency of the country came to my knowledge on this tour, which it may be important to mention."

After stating the facts, he gives his inference from them in these words:

"It is the Government, therefore, and not the bank, which gives those notes (the notes of the Bank of the United States) all the general credit and currency they possess; and the same credit and currency it can give to the paper of the State banks."

All who will read the official publications of that day will be convinced that the Administration, in discontinuing the use of the Bank of the United States, engaged to furnish a substitute for the circulating medium and exchange which that institution had afforded to the country. Indeed, it will be seen that Mr. Secretary Taney, in the document which I shall presently refer to, in assigning his reasons for the removal of the depositors, not only promised, but admitted it to be the duty of the Government to furnish this substitute. But at present let us inquire what was the promised substitute of the Administration. Mr. Kendall shall answer; he is said to hold "the pen of ready writer," and his own language shall now employ to disclose the plan of the Administration for a system of national currency and exchange. In his report he says:

"A course of business has been established between the West and East, which promises to furnish a general currency of commercial value, without the agency of the Government. It is the making of the notes of the Western State banks convertible in gold and silver at the great commercial points. The Union Bank of Tennessee, for instance, keeps a deposit of one million of dollars in a bank in Philadelphia, upon which it receives interest at the rate of six per cent, and pays it to the bank in Philadelphia at the rate of six per cent."

These notes perform the office of a circulating medium in the West, and, upon the current of exchange, float to the East, where at length they reach the deposit prepared for their redemption. Experience indicates that they will not, in general, remain in the country for more than a year, during which time the bank will have to pay interest twice over. If issued in the discount of real or accommodation paper, it obtains an interest at the rate of six per cent, on that paper, and three per cent, on the deposit prepared for their redemption; 1/4 in the purchase of domestic bills of exchange, it obtains the three per cent, on the deposit, the six per cent, on the bills, and the three per cent, on the difference between the value of the bills and the amount to be collected before the bank notes issued in its purchase arrive at the points of redemption."

"The notes of the Union Bank of Tennessee are now a better currency in Philadelphia, and everywhere else, so far as I have observed, than the notes of any bank in New-York, by which it is to supersede the currency of the State of New-York, and every other State, so far as I have observed, and is now convertible into specie, and therefore pass at par at the great commercial points. They are now taken in payment of debts and on deposit by the banks in Philadelphia, but the branch notes are not."

"The notes of the Bank of Mississippi, and the notes of the Bank of New-York, which it is not to be expected that New-York notes will often be presented in Mississippi for payment, yet this form exists to the holder to evidence of their general credit, which he would not have if they were payable only at one point."

"The notes of the Bank of New-York."

"Whether any of the Louisiana banks have like arrangements I am not informed; but there can be no doubt but the banks in that State and in that other interior Western States will follow the example which promises such benefits."

"A similar process on a smaller scale, and originating in a different principle, has given a uniform currency to New England. In the State of New England there are two hundred banks, upwards of twenty of which are branch banks, and their deposits are confined to the city of Boston. The currency of New England is paper, which was not received by the city banks, combined together, and gave it to a view of opening a wider field for themselves. It ended in the country banks making provision to meet their circulation in Boston; and thus giving their notes as high a value as the city notes. They are, accordingly, interchanged, received, and have a circulation throughout the State of New England. The same is true of New York, and New-Jersey, the centre of a much larger circle of trade and exchange, it is obvious that their credit would be as general, could they be as well known throughout the United States as it is now in New England." These facts hold out a prospect of great benefit to the country, and now, with the aid of the Bank of the United States, without the aid of the Government in originating or supporting it, the same connection between bank in distant parts of the Union will also supply the place of that bank in furnishing or purchasing domestic exchange, and the growing country will have a much lower price for it."

"The currency necessary for the purpose of course will be materially reduced by the convertibility of the currency at the commercial point; and this circumstance will also keep down the price."

"Probably the persons farthest from it will be found to be the true interest of the country and the banks themselves. The whole of the country, however, may be said to be in the same position. The greater the distance of any bank from the centre of trade, the greater interest will it have in making its paper payable there; because it will take longer to reach the point of redemption; and its paper will be as much better than specie as the distance is greater. The same is true of a country bank in the interior, or in the more rural and less commercial parts of the country. The result will probably be that the interior banks will become little else than offices of discount and deposit, keeping all or most of their specie funds in New-York or Philadelphia; and, the greater the distance, the more decisive will be the advantage both to themselves and to the country in adopting this system."

Having made this exposition of the Administration's plan of a system of currency and exchange, to take the place of that furnished by the Bank of the United States, Mr. Kendall concludes his report by stating that—

"All the real benefits conferred on the country by a national bank, in furnishing domestic exchange and a general currency, are likely to be more than equalled by the new course of business already introduced, which carries with it none of the concentrated power that makes such an institution dangerous to the purity of our Government and the liberty of the People."

We have thus seen this famous financial scheme explained, and the means illustrated by which

it was to be accomplished. A brilliant scheme it is on paper, and worthy of this arch financier and contriver-general! The Administration acted on it, and the old and well-ordered system of finance, economy, and exchange was demolished, under its seductive and fanciful influences!

But it was proposed to another, and then tended to establish the point now under consideration. In his annual message to Congress in December, 1833, General Jackson said:

"Since the adjournment of the last Congress, the Secretary of the Treasury has selected the money of the United States to be deposited in certain State banks designated by him, and will immediately lay before you his reasons for this direction. I concur with him entirely in the views he has taken of the subject, and, some months before the charter of the bank was given, the Government took the property of taking that step. The near approach of the day on which the charter will expire, as well as the fact that the bank, appealed to me to call for that measure, upon the high considerations of public interest and public duty."

It is thus seen that the President, referring to Mr. Secretary Taney's reasons for changing the place of depositing the public money, says, "I concur with him entirely in the views he has taken of the subject." I propose to take up Mr. Taney's report, and see what his "view" of the subject is. It is found in vol. I, Sen. Doc. No. 2, 1st sess. 23d Cong. He there says that the vote of the people had been expressed against the recharter of the bank, and he could not feel justified in anticipating any change in the then existing laws in relation to that institution. Next comes his "view" of the subject," in which the President says he "entirely concurred." I read from the report:

"And as the act of Congress, which created the corporation, limits the duration to the 3d of March, 1836, it became my duty, as Secretary of the Treasury, in executing the trust confided to me under the law, to look to that subject. I found that there was no sufficient ground for presuming that the law would be altered in this respect by future legislation, and a change was necessary. It was therefore incumbent upon me, in discharging my official duties, to act upon the assumption that this corporation would not be rechartered, and to take the steps in the time above specified. And in this state of things, without any reference to the master in which the bank has been situated, I directed that the money of the United States should be removed from the bank until the end of its corporate life, or be removed at some earlier period. In forming my opinion on this subject, I could only inquire which of these measures would most conduce to the public good.

"I could only inquire which of these measures would be most promoted by preserving the deposits of the public money to continue in the bank until its charter expired. Judging from the past, it is highly probable that they will always amount to several millions of dollars."

What will make Mr. Taney little thought in a few brief years his successor, Mr. Woodbury, would have to do in the Treasury, and would ask to pay the public creditors in Treasury notes! But let Mr. Taney speak. He says:

"It would evidently produce serious inconveniences if such a large sum were left in the possession of the bank until the last moment of its existence, but then he suddenly withdraws, when its immense circulation is returning upon it to be redeemed, and the private depositors removing their funds into other institutions. The ability of the bank to meet its engagements to the public would be greatly impaired, and the safety of the deposits could not be ascertained.

"Besides, the principal circulating medium now in the hands of the People, and the one most commonly used in the exchange between distant places, consists of the notes of the Bank of the United States and its numerous branches. The public would be greatly inconvenienced if such a large sum of money were to be withdrawn, and a sound and convenient currency was substituted for it, which would probably cause extensive evils, and be sensibly felt among all classes of society."

"I have observed that the superior credit heretofore enjoyed by the notes of the Bank of the United States, was not founded on any particular confidence in its management or solidity. It was occasioned altogether by the agreement on behalf of the public, in the act of incorporation, to receive them in all payments to the United States; and by the credit of the part of the Government which gave general preference to notes payable at remote branches. The same circumstances would probably give general preference to notes of the State banks, and make them equally convenient for the purposes of commerce. But this obligation on the part of the United States would be removed by the 3d of March, 1836, when the charter expires; and as soon as this happens, all the outstanding notes of the bank will lose their credit, and the public will be compelled to receive them in payment, and to depreciate the notes of local banks. And if, in the mean time, another currency is substituted in its place by the consent of the public, it is easy to foresee the extent of embarrassment which would be caused by the sudden demolition of the system of exchange which has been established by the law of the land."

"The notes of the Bank of the United States in circulation on the 2d of September last, (1832,) which was the date of the latest return before me, when the order for removal was given, amounted to \$13,267,07, scattered in every part of the country. If the public would be compelled to receive them in payment, and to depreciate the notes of the charter, to take the place of those notes, it would still require time to bring it to general use, and in the interim the People would be subjected to all the inconveniences and losses which necessarily arise from an unsound state of the currency. The evil would be so great, and the distress so general, that it might even compel Congress, against its wishes, to recharter the bank, before the people would be induced to give up the notes of the bank, and to renounce the charter."

"It is evident that a state of things so much as he deprecates can only be avoided by timely preparation; and the continuance of the deposit can only be justified by the determination to renew the charter. The State banks are not yet in a condition to supply the wants of the country, and the currency which has been afforded by the Bank of the United States, probably more so. But a currency founded on the notes of State banks could not be readily substituted for that heretofore furnished by the Bank of the United States, and take the place of the old one, without some very great trouble. It is essential that the change should be gradual, and sufficient time should be allowed to suffer it to make itself felt, without causing a hasty and violent effort."

On this vital subject, it would be highly injudicious to suffer the deposits to remain in the Bank of the United States until the end of its corporate existence; and as they cannot be withdrawn without the action of the Secretary of the Treasury, it must unavoidably become his duty, at some period of time, to exercise the power of removal, and saying made, therefore, for the present, all the considerations with respect to the conduct of the bank has furnished, and will furnish, the strongest reason for holding it to the public interest.

It is a question of time only. The duty must be performed, at some period, and could not be altogether avoided without justly incurring a heavy responsibility to the community for all the consequences that might follow; and it is, I think, apparent that the measure was delayed as long as was compatible with the interests of the People of the United States."

Mr. Taney then states that the notes of the bank and its branches on the 2d September, 1833, amounted to \$18,413,297.07.

"This immense circulation (says he,) pervading every part of the United States, and most commonly used in the business of commerce between distant places, must all be withdrawn from circulation when the charter expires."

The notes of the bank constituting this circulation, he says:

"Ought to be withdrawn gradually, and their places supplied as they retire by the currency which will become the substitute for them."

"How (he asks) will it require for the ordinary operations of commerce and the reductions of discounts by the bank to withdraw the amount of circulation before mentioned, without giving a shock to the currency or producing a distressing dislocation upon the community? I am confident that it will be a long time before a clear run, after that the object of safety to the community, and if it had depended on my judgment at an earlier period, I should have preferred and should have taken a longer time."

Mr. B. said he thought these passages from Mr. Taney's report fully established the position he had been trying to maintain, that the Administration, in destroying the system of currency and exchange afforded by the Bank of the United States, had no right to be admitted to be their duty to furnish a substitute until they engaged to do so through the medium of State banks. On this last part of their engagement, he hoped the committee had not forgotten the fanciful scheme proposed by Mr. Amasa Kendall, with his plausible illustrations of it. But further and conclusive proof is found in the report of Mr. Taney already referred to. In that paper he says:

"The propriety of removing the deposits being thus evident, and it being consequently my duty to select the places to which they were to be removed, it became necessary that such arrangements should be immediately made with the new depositors of the public money as would not only secure the safety of the public funds, but secure the convenience of the Government in the transaction of its business. The Government to the ~~Bank of the United States~~, the conveniences and facilities that were intended to be obtained by incorporating the Bank of the United States. Measures were accordingly taken for that purpose; and copies of the contracts which have been made with the selected banks, and of the acts and indentures, were sent to the Department of State, and to the Secretary of the Treasury, and to the interior, not precisely the same with those in the Atlantic cities. The difference between them arises from the nature of the business transacted by the banks in these different places. The State banks selected are all institutions of high character and unusual strength, and are under the management of persons of high integrity and experience. And it is agreed that the amount of the public money to be deposited, each of them is required and has agreed to give security whenever the amount of deposits shall exceed half of the capital actually paid in; and this Department has reserved to itself the right to demand the amount of the public money whenever it may be required, and to withdraw the same whenever it may be required, by the direction of the Department, for the public service, and to perform all the services of the Government which were heretofore rendered by the Bank of the United States. By agreement, the amount of the public money to be deposited in each of the selected banks will not exceed at least one-third of that of the Bank of the United States, and will afford facilities to commerce and in the business of domestic exchange, quite equal to any which the community heretofore enjoyed. There has not been yet sufficient time to perfect these arrangements; but enough has been already done, so that the public money of the United States is now deposited in the State banks, and either for the transaction of the business of the Government or the public convenience, and that every object which the charter of the present bank was designed to attain may be as effectually accomplished by the State banks. And it is this that can be done, nothing that useful will be lost or endangered by the change, while much that is desirable will be gained by it."

The Administration was from time to time admonished that it had entered upon a delicate and dangerous task, fraught in its consequence with all manner of mischief to the country. But the admonitions were scoffed at as the work of croaking and interested politicians. The President and his Secretary of the Treasury proclaimed that their grand experiment had succeeded, and that the country was actually enjoying not only the same but greater advantages in currency and exchange than had prevailed under the system which they had destroyed. In his annual message to Congress in December, 1833, General Jackson says:

"Happily it is already illustrated that the agency of such an institution (as the Bank of the United States) is not necessary to the health and operation of the country. The State banks are found fully adequate to the performance of all the functions which are required of the Bank of the United States, quite as promptly and with the same cheapness. They have maintained themselves and discharged all these duties while the Bank of the United States was still powerful in the field as an experimental bank. It is not possible to conceive that they will find greater difficulties in their operations than they have at present to encounter."

To this may be added the special report of Mr. Secretary Woodbury, made at the same session of Congress, in which he professes to have examined the whole subject connected with the use of the public banks by the Government, and sustains the State bank system as superior to all others. This report I shall have occasion to examine somewhat in detail presently; and will pass to the public documents presented to Congress on the same subject December, 1835. The message of President Jackson then delivered declares:

"The experience of another year has confirmed the utter failure of the idea that the Bank of the United States was necessary as a fiscal agent for the Government. Without its aid, as such, indeed in despite of all the embarrassments it was created to create, the revenue has been paid with punctuality by our citizens; the business of exchange, both foreign and domestic, has been conducted with convenience; and the circulating medium has been greatly improved. By the use of the bank notes, the public money of the United States has been removed from the general circulation, and the State banks have assumed the functions of the Bank of the United States. It is ascertained that the money of the United States can be collected and disbursed without loss or inconvenience, and that all the wants of the community, in relation to exchange and currency are supplied as well as before. The State banks are now in full operation, and are as capable of meeting the wants of the country as the Bank of the United States itself. The claims to the public favor were imaginary and groundless; it cannot be doubted that the experience of the future will be more decisive against them."

The President then announces to the nation the entire success of this grand experiment. And what says Mr. Secretary Woodbury, in his annual report on the finances of the same session? I will give you his own words. He says:

"This (the Treasury) Department takes great pleasure in stating that the public money continues to be collected and deposited under the present system of selected banks, with great ease and economy in all cases, and with great-

er is some, than at any former period. The transfers of it to every quarter of the country where it is needed for Treasury.

"The payments of creditors, officers and pensioners, have been punctual and convenient, and the whole fiscal operations through the State banks have as yet proved highly satisfactory. Incidental to this, the facilities that have been furnished to the commercial community in domestic exchanges were probably never greater or so moderate rates."

These laudatory exultations at the triumphant success of this glorious victory are repeated from year to year. The President, in his annual message in December, 1836, says:

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government at the time of the removal of the deposits. It was alleged by the advocates of the plan, that the State banks, then in existence, were unequal to the regulation of the currency. The Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed by the depositaries of the State banks, and twenty-five branches, were at least one-third less than those of the depositary banks for an equal period of time, and a smaller amount of service rendered by these institutions, on the average basis which has been used by the advocates of the United States, to estimate the value of their currency, under the domestic exchanges transacted by it, the result will be still more favorable to the depositary banks."

Coming in at the same time (December, 1836,) with his annual report on the finances, Mr. Secretary Woodbury refers to the State banks selected and used by him as the fiscal agents and depositaries of the Government, and says:

"It is a matter of high gratification to all, to add, that while so selected and employed, not a single dollar was lost to the Government, or to the public, through the failure of the State banks to transmit promptly and pay out satisfactorily the public money entrusted to their custody; and it is believed that the State banks have transmitted, on an average, one dollar or more regular than during that period; and the large amount of them performed by these depositary banks, is estimated to have been one hundred and fifty to two hundred millions of dollars yearly, or near a third more than those of the depositary banks in the Union. The result of this, in the fiscal agent of the Government, evinced the great ability and usefulness of the banks on this important subject."

I have thus, sir, brought together the repeated declarations of the Administration party, that their scheme for furnishing this nation with a sound and uniform currency and exchange had fully succeeded. And so well satisfied was President Jackson that he had accomplished this great purpose, in his farewell address, published at the moment of his retirement from office on the 4th of March, 1837, he says:

"At the close of my administration my last public trust, I leave this great People prosperous and happy."

On the 4th of March, 1837, the cry is proclaimed throughout the land, "All's well!" The ship of State then passes into the hands of Mr. Van Buren; the morning of his power dawns beautifully; but, alas! a brief moment soon proves to him that "the sun that rises clear may set in clouds."

The catastrophe which followed is known to all, and need not be enlarged upon. It was sudden and violent; and if we were "prosperous and happy" on the 4th of March, 1837, it is now known to have been only that deceitful calm which sometimes precedes the mighty earthquake, or Mr. Van Buren has grossly abused and mismanaged the great power which was committed to his charge. Things have been getting worse and worse, until, at last, the Administration, by its friends on this floor, declare, "a universal embarrassment seems to have spread over the whole country!" The character of that embarrassment, local and private, is so well known that I need not give its details. Let the people of this country now, however, have reports from which I read in the early part of my remarks. They will there see described our national state and condition in 1829 and 1830, and a solemn warning against any experiment or attempt to change the system of currency and exchange which we then had. Having entered fully into the whole subject, the report from the Committee on Finance in the Senate, submitted on the 20th of March, 1830, concludes in these words:

"Under these circumstances they deem it prudent to abstain from legislation, to abide by the practical good which surrounds us, and to put nothing to hazard by doubtful experiments."

Had this advice been followed, we should not now be in the sorry condition in which we find ourselves. And it must be remembered that it was the advice of General Jackson's own original and sincere friends, political and personal. But he was urged to disregard it by those who joined him at the eleventh hour, and among these was Mr. Van Buren. The consequence of this latter advice is this "universal embarrassment which now prevails over the whole country."

The Administration even buried its own experiment to its explosion. It passed a bill, I believe, to a certain resolution introduced in the Senate in April, 1835, by Mr. Benton, of Missouri, by which it was proposed to reject all bank notes in payment for the public lands, and to require all payments at the several land offices to be made in hard money. This measure found so few friends that it was immediately laid on the table, by a vote of the Senate. But, to the surprise of all, within the space of four days, Congress adjourned, in July, 1835, that resolution is substantially made the law of the land, by a short letter from Mr. Woodbury, known as the "Specie Circular!" The will of Congress is again disregarded, and another plan devised to add strength to the Executive arm. Accordingly, when, at the ensuing session, a bill is passed to repeal that circular, the President refused to sign it!

In all these attacks upon the currency and credit system of the country, the will of the Representatives of the People has been trampled on, and the power of a "unit" Cabinet—the will of one man—has given law to the land. This measure had a leading agency in destroying all confidence in bank paper as a circulating medium. The pertinacity with which the Administration adhered to this circular justified the belief that two purposes were aimed at by them: the one to reduce the surplus

revenue then soon to be deposited with the States, which the Executive did not approve; the other to destroy the State banks, and bring about an exclusive hard-money system. It must be plain to all that, if the Government refuses to accept payment of its revenue in any particular currency, the credit of that currency is lost.

In the Western country, a greater evil than the bank paper is its responsibility for the public lands. If it will not pass in these places, or, in the language of that part of the country, if it is not "bank office money," its circulation is too circumscribed to be of any value. And yet, with a knowledge of these facts and their consequences, and against the will of Congress, Mr. Woodbury issued and continued this specie circular. Its tendency was to destroy all confidence in bank paper—it was a just ground of suspicion. The people justly said, if the Government will not take this money, we ought not to take it. The immediate consequence was to drive home all, or a large proportion, of the bank note circulation. The banks were obliged to take corresponding measures on their part to reduce their discounts, and thereby the collection of their debts, to the great inconvenience of the people. This was a most injurious circular, and it was a wise political policy, it required the people of the Western country to pay the public dues in hard money, but left the revenue on the Atlantic border payable in the ordinary paper currency. Congress, by a joint resolution, forbid this; and when Mr. Woodbury was obliged to retreat from this offensive discrimination, and was afraid suddenly to bring the whole country to a hard money system, he limited the receipt of bank notes in two ways: first, by forbidding the receipt of any note for a sum less than twenty dollars; and next, by excluding from such payments all bank notes which were not payable at the counter of the bank, in place where they were issued.

To prove these facts, let me reference to that famous specie circular of Mr. Secretary Woodbury, dated in New-York, 1830, in his equally ordered and dated list of the 1st of June, 1832, each of which is now on my table. There is a heavy comment on that brilliant plan of a "better currency" developed in the reports of Messrs. Kendall and Vaney, and distinctly approved in the President's message which have been read to the committee. It was to consist of bank notes, and particularly of bank notes issued in the West, and in all the different sections of the Union, payable at New-York or Philadelphia, where it was advised that the greater part, if not all the species of the country should be concentrated and kept! And, after having induced the country to trust in the plan, and to act on this public recommendation, the Administration is the first to repudiate this State bank paper, and expressly refuse to accept in payment the very class of bank notes of the Government, and to add to the banks to issue! This corresponds with the whole past conduct of this Administration—the practice of one thing, but the practice of a different one. I give the evidence: let the people judge!

I will next examine the other plan to supply a national currency, as held out by the present and past Administrations. When their first attempt seemed likely to fail, the people were then allured by golden prospects: not silver and gold, but gold only, for a national currency! Is profit wanted? Is it at hand? If any one more than all others in the Union has been instrumental in making this promise, it is Mr. BENTON, of Missouri.

Mr. BENTON said he held in his hand a volume of Congressional debates, and would now read from the speech of Mr. BENTON, the covert father of the specie circular, delivered in the Senate in the debate on the specie circular. He opposes its repeal, and among other things, said:

"It was impossible that every man should be a national banker. He must have a concern not only in money, but in fact; and nothing can answer for a national currency bank, which combines two precious, first, uniformity of value all over the country; second, convenient portability. Silver possesses one of these qualities, but it lacks the others; gold possesses both, and the Constitution of the United States guarantees its use. Gold is the only money that can be used in a national currency. It is the only money that can be used in a national currency, for it is unconstitutional and pernicious. Two national banks had been chartered to furnish a national paper currency; they have both been put down, after twenty years' trial of each, by the power of the People. When the first bank was put down, it was because it was unconstitutional, and it was put down by the power of the People. In the second bank, it was because it was unconstitutional, and it was put down by the power of the People. It was doubled by failing back upon State paper, and nothing can answer for a national currency bank. In the opinion of the most successful, which every thing was to depend, that gold, and not local bank paper, should become the national currency of the United States. The most successful, in my judgment, was the plan of introducing gold in place of the paper. The largest and most essential of these steps was the Treasury order of July 1st, and now, the present administration has repudiated that order. The introduction of gold into the currency, so frequently in the expenditures of the Federal Government, brings up the question, whether gold or local paper is to be made the national currency?"

"It is a question for which the Government receives as cash it must pay out as cash. The Government receives and pay out becomes the currency of the Government also; for the people, single-handed, cannot make head against the action of the Government. The effect of the present movement, then, (the proposed repeal of the specie circular,) is to overturn the plan of those who put down the Bank of the United States, and to substitute for the national gold currency which they promised to the country, the actual paper currencies of all the States and Territories in the Union."

I have thus given the very words of Mr. Senator BENTON, the great and golden humbugger. The volume containing his speech was printed for the use of Congress, and it is that from which I read. Is not my point fully proved? Gold is here promised as the national currency. It is a promise which was intended as a means of destroying the State bank paper, and the specie circular was intended as a means of destroying the national currency. It is both a wise and a foolish policy. It is both a wise and idle now to say it was not intended by the Federal Government to put down the State banks. Mr. BENTON says it was intended to introduce and use gold in all the public receipts and expenditures, and that "what the Government receives and pays becomes the currency of the country, and that the people, single handed, cannot make head against the Government."

One or two comments are here necessary. Was it, indeed, as Mr. BENTON says, "a part of the plans of those who put down the Bank of the United States, and the object of their whole system, that every thing was to depend, that gold, and not local bank paper, should become the national currency of the Union, and that many steps were taken towards excluding local bank paper from the receipts and expenditures of the Federal Government, and introducing gold into its place—the largest and most essential of which was the Treasury order?" If this were true, were the reports of Messrs. Kendall and Taney, and the President's several messages, adopting them, sincere or hypocritical? If, as Mr. BENTON says, it was a part of their original plan to exclude bank paper and substitute gold, they concealed it, and professed to be doing directly the reverse. Those who read these different papers may judge of their consistency.

That the first plan must fail, is well designed to attract public attention from its failure.

But Mr. BENTON stated one thing at which we should all be silent. In this republic, a professed Government of the people, a Senator rises in his place, and, in adopting an Executive measure, says, "the people cannot make head against the Government." If not looked to in time, for this will be our confirmed misfortune; but the signs of the times show that the people are aroused, and will not long submit to this rebuke.

This plan to destroy the uniform and sound currency which we enjoyed, and to allure the people to its accomplishment by the promise of gold, may be regularly traced throughout that newspaper, the *Globe*, the organ and mouth-piece of Mr. Van Buren and his Administration. I now call to your attention that that portion of its editorial paragraphs. The files are before me, brought from your Government Library, and are well preserved for the convenience and amusement of all the faithful! This paper has long adopted the policy of the Administration, and is now in the daily receipt of immense sums of money derived from the various branches of the Government. The plans and sentiments of the Administration, when published, first appear in this official organ, and its opinions are always put forth "by authority." When the *Globe* speaks, the Administration prompts; and that it has spoken faithfully and fully the wishes and sentiments of the Administration, the heavy largesses daily paid to it by those in power would seem clearly to indicate. With this brief account of the official organ, I proceed to read various of its editorial remarks, holding out a promise of a hard-money currency, and especially a national currency of gold.

(From the *Globe* of 29th March, 1824.)

When the mouse led by the People—gold and silver, they can never be moved by panics, or affected by the difficulties of banks. With a golden eagle in their hands on Saturday night, the people may run in perfect confidence that no bank failure on Monday will deprive him of his property and his liberty. For the farmers or farmers keep on hand for any time more than ten, twenty, to fifty dollars; and the sums they receive are generally small. If our small currency were eights, half-eagles, quarter-eagles, and dollars, with their fractions, and were to be in circulation in the same manner as in the previous months, they would be effectually protected against all the casualties and frauds of paper money.

(From the *Globe* of 19th April, 1824.)

JACKSON MONEY.—In a few days we shall have an account of the value of the entire species which has arrived at the principal ports in the United States since the first day of December last. We have no doubt, it exceeds FOUR MILLIONS OF DOLLARS. The most singular incident of the time is, that GOLD as well as silver is return to the South.

What mechanic, farmer, or laboring man would not rather have a golden eagle than a \$10 note on the Bank of Washington, or any other bank? This is the "SOUND CURRENCY" which General Jackson recommends.

(From the *Globe* of May 21, 1824.)

If Congress will pass the coin bills, the circulation of the country will be rich in gold and silver. The drops of sweat which fall from the brains of how it will be turned into eights, and half-eagles, and Spanish milled dollars. His bushels of corn, wheat, &c., will be turned into a diry rag in the corner of his pocket, promising to pay what the savages are not the means of paying.

(From the *Globe* of June 11, 1824.)

Since Mr. Lowndes' death, the argument in favor of a gold currency has derived an additional weight from the discovery of a large gold field in the West, and from the fact that we are developing with a rapidity and expansion unknown in the history of the world, in less than a few months, and preparing them \$500,000,000, now producing above two millions in a year; and no assignable limit to their future production. To the *GOLD CURRENCY*, we point them to the *GOLD REGION* in Virginia, the Carolinas, Georgia, and the contiguous *NATIONAL CURRENCY*. Nothing in every sense is more appropriate to the use of the money of the nation, than to extend it all over the nation; and called for by every man in the nation, who is free from the chains of stipendiary service to the United States Bank.

Indeed, in this country, this true national currency would have been long since established. The discovery of the gold region in the South would have stimulated his exertions, and consummated his purpose. The restoration of the currency is now demanded by the voice of the whole country. It is demanded from the pre ent Congress to-morrow, and the nation and the dispossessed. Let the *GOLD CURRENCY* pass! 16 to 1 is the word. The bank men, not daring to do their duty, will be compelled to do it. Let the gold phalanx stand firm, and the paper legion will be defeated.

(From the *Globe* of June 19, 1824.)

We would stow, for the information of gold men, that a bill for raising the value of gold will probably pass at this session of Congress, and the ratio of 16 to 1 is adopted, the rise in value will be \$ per cent. and a fraction; therefore, no one should sell his gold at present rates, but hold it up for the event of this bill. It is calculated that the passage of such a bill would be a clear profit, and, what is more, a just and honest profit, of from \$120,000 to \$150,000 this year; with an increase for every succeeding year.

(From the *Globe* of June 16, 1824.)

The whole great West requires a circulation of *doubloons*. It will be their principal gold coin; and will be got in immense quantities from New Orleans. Why weigh this coin, unless clipped, or fraudulently reduced in weight? The dependence of the people, and the safety of all its property, is in the hands of the *doubloons*. The *doubloons* of commerce, and of the People, requires them to pass as requested by the Louisiana Legislature; and surely this is a case in which the voice of *Leviathan* should be heard. There is a difference between the Spanish and Patriot *doubloons* in commerce, no less effectual in intrinsic value. The weight of the *doubloons* of commerce is 16 to 1. The value of the coin in the same state and country is the same. They are minted under the same regulations. The reason of the difference in commerce is because the principal market for *doubloons* will not pass. It is the same reason which makes the *doubloons* of the United States less valuable than the *doubloons* of Mexico. The *doubloons* of the United States have more weight in it, and is intrinsically worth more. What a blunder the United States has committed for the last fifteen years, in excluding foreign coins! Nearly all the gold and silver coined in Mexico and South America, for the last 15 years, was issued authority, or in the East Indies, which was accustomed to Spanish milled coins. But this money of the new Governments was just as good as the old, and would have flowed into the United States in floods, if not driven away by our bank laws. Even now, the gold and silver of the new Government are made every day, and sent to the United States, and intended for the market, but will not pass. It is perfectly disengaged, and being understood ought to be counteracted. Let the gold hill pass.

It is computed that the Southern mines will yield THREE MILLIONS of dollars worth of gold this year. A rise in the ratio of gold from 15 to 16 to 1, will be an advance of six and two-thirds per cent. on that amount, which will be \$120,000 on the whole.

(From the *Globe* of June 21, 1824.)

It is due to the People of the United States to know that the Bank of the United States is now in the field, an open antagonist, opposing the restoration of the gold currency. She knows that the establishment of a national *GOLD CURRENCY* puts an end to all plots for the establishment of a national *PAPER CURRENCY*; and, therefore, her war against gold is the last war of her own existence.

The *GOLD CURRENCY* is the only safe currency beyond the reach of evil or dispute. We should, doubtless, gain five or six millions by the time Congress meets again, if the bill is passed before the end of the present session. This belief rests upon good data. The *Leviathan* is probably two millions now in the country, waiting the issue of the gold hill. The *doubloons* of commerce will be several millions. The gold coinage of Mexico, Guatemala, and South America, will flow to the United States as soon as gold is raised 16 to 1, for that is the ratio in all those countries. We should get nearly all the *Patriot* *doubloons*, which cannot find a fair market elsewhere, and would come here in shreds, if supplied at their own natural value, of sixteen millions. By the time the bank charter expires in 1826, there would be more gold in circulation than there are now of United States bank notes.

(From the *Globe* of July 1, 1824.)

GOLD CURRENCY.—The great bill introduced by Mr. BENTON is adopted. Gold, the cherished currency of the world, now banished from the United States for a while longer by the power of bank legislation—this precious currency once appears in our land, and in defiance of bank power, will diffuse and spread its influence throughout the country, and be 'em the familiar inmate of every individual man's pocket. Such is the case now in Mexico, Guatemala, and South America, where gold is the only safe currency, and the oppressions of a lawless and gigantic monied power. What, now, has become of all those predictions that the currency would be ruined—that there would be nothing but broken bank notes to be seen in the land? The new law is a law of God, and will be obeyed. It is to be seen in the *Leviathan*, in the *doubloons* of commerce, it is to be seen in the pockets and glittering in the hands of the People. Already many travellers have supplied themselves with it, and will be able to traverse the country without the danger of receiving, or the humiliation of offering to pass, the counterfeit imitations of a wretched paper currency. The value of the coinage will soon change into circulation. Our old coinage, now in existence, will pass illus. The eagle \$1000; half-eagle \$533½; the quarter-eagle \$313 1/4—this being the true value, if the pure gold now in these coins, the new coinage will contain a sum of \$100,000,000. The *Leviathan* will be the first to be converted, and will be the first to pass. The *Leviathan* will pass in all along the line of the northern frontier, from Passamaquoddy bay to Lake Superior, as well as on the seacoast of the Atlantic, while *Passa* passt. The guinea \$3 75; the sovereign \$1 64; the Louis d'or of France about \$3 75; the ducat, Spanish and Patriot, \$1 64. The *Leviathan* will be converted, and will be the first to pass, for they are of the same weight and fineness; but the *Spains* *doubloon* will generally be above the legal rate in mark for exportation to Cuba, where that species of doublonnes passes for \$17.

The *Leviathan* will be converted, and will begin to have a sensible influence on the general currency. The great West, and all to the west, will feel the golden shower. Emigrants and receivers of public funds will all carry gold to the West and to the South, and of course of the *Leviathan* will be the first to pass. The *Leviathan* will be the first to pass, to prevent legal bank notes to be disbursed for the Government when gold has been received.

Let the *Leviathan* rejoice. There is no longer a plea for federal bank notes! Gold is in a good enough national currency to be the standard of the world.

We shall soon have an abundant circulation. The native mines are yielding two or three millions per annum. Commerce will bring it from Europe. English coined twenty millions of pounds of gold in the year 1820, and France has coined one hundred and forty-five millions of gold since Bonaparte reformed her currency in 1803. England has coined forty millions of dollars from 1820 to 1825; and France has coined four hundred and ninety-nine millions of dollars in silver since Bonaparte banished paper money. With the aid of foreign coins, and the double power of the new mint of the United States, we shall soon be abundantly supplied with gold. This is the first victory of the victorious issue of the great contest with the bank, growing out of the removal of the depositors.

(From the *Globe* of June 16, 1824.)

GOLD CURRENCY.—While every part of America rejoices—while every heart not enslaved to the serf-arsitocracy of the old gold currency—the West, and all Western citizens, have the deepest and greatest cause for proud exultation and manly rejoicing at this propitious event. For, of all America, the West is the part which needed

most, and will profit most from the circulation of gold. Happily, they have but few banks in the West, and therefore need gold to carry about and to travel upon. Happily, again, the greatest supply of gold will go to the West. The emigrants removing to that region will all carry gold in preference to either silver or paper, for it is simplest and easiest to carry than paper. The land offices will become recepables and reservoirs of gold; whence it will be distributed to the miners, to the Indians, to the Indians' agents, to the Indians' superintendents, and the Indian department; and woe to the owner who, having received gold from the Government, will not pay it to the Indian agent, paper to the soldiers or citizens. Then a GREAT STREAM OF GOLD WILL FLOW UP THE MISSISSIPPI FROM NEW-ORLEANS, AND DOWN THE MISSOURI AND THE COLORADO, AND THE WEST. Nearly all the gold coinage of the new world will come to the United States; for all the coins of the United States, and the Mexican coins, and the coins of the rebel provinces, cannot go to old Spain, or to any of her dependencies, and, therefore, will come to the United States. The gold will be coined, and then marketed. This will fill the market with dollars and half dollars; and, in eight or nine months from this time, the market will be glutted with them. Then a sharp fall in their value will not work, through the interstices of which the yellow gold will shine and glitter. Then travel will be free from the fear of robbery, of raged, filthy, and contumacious notes. Every substantial man, and every substantial man's wife and daughter, will represent titles of paper.

From the *Globe* of August 4, 1834.

JACKSON, GOLD.—We have had the pleasure to see some of the new gold coinage of half eagles, and seldom have we demanded for it, and that even in the hope of getting a few pieces to carry and preserve as a charm against the sorceries of the mammon. We understand that gold, at \$200 a day can be struck off. The promptitude of the Treasury, and the Mints on this subject, will be duly appreciated.

The Gold Comptroller.—Many errors and discrepancies of the value of the different gold coins under the new law have been published, which may lead persons to believe that the table, before reproduced, is accurate having been carefully tested at the United States Mint, and therefore to be relied on. If by the new law, all the States of the Union, Canada, Mexico, Columbia and Brazil, are made legal tenders, and, therefore, every person should get accustomed with the value of these coins. The gold of no other nation is made a legal tender, but it is all rated 8-2-3 per cent. in value; so that the holder of gold coins should have a table, and get it by heart. Persons should have this table, and get it by heart.

Under this paragraph the official organ published a "table of gold coins," which, it will be observed, it advised all its readers to "use and get in heart." The office-holders throughout the country no doubt followed this advice, and are familiar with all the tables for calculating the value of gold. They are the only persons who seem to be enjoying the benefit of this much boasted gold bill, which was to cover the whole land with "showers" of what the Globetrotter called the most beautiful currency in the world." But the people have wasted their time and money in vain—the one in studying the office-holders' "table of coins," the other in purchasing "long silken purse[s] of fine open net-work, through the interstices of which the yellow gold was to shine and glitter." We have looked anxiously, but in vain, for the "great streams of gold" which was to "flow up the Mississippi from New Orleans, and diffuse itself all over the great West."

Having thus given these captivating passes from the official organ, let us again recur to Mr. Benton, and hear him declare the success of the plan for the national currency of gold. It will be remembered that, besides the gold bill before alluded to, the Administration had, as a means of supplying this currency, authorized the building of three branch mints: one at Charlotte, in North Carolina; another at Dahlonega, in Georgia; and the third at New Orleans; the two first expressly for gold coinage. In the debate before alluded to as taking place on the bill to repeal the Treasury circular, Mr. Benton, in the Senate, on the 25th day of December, 1836, used these words:

"After forty years of wandering in the wilderness of paper money, we have approached the confines of the constitutional medium. Seventy-five millions of specie in the country, with the prospect of an annual increase of ten or twelve millions for the next four years, three branch mints to commence next spring, and the complete restoration of the gold currency, announce the success of President Jackson's great measures for the reform of the currency, and vindicate the Constitution from the libel of having prescribed an impracticable currency."

Mr. B. said if success had followed this magnificent scheme it was so short-lived and evanescent that it vanished with the pompous announcement of the Missouri Senator! It is now plain that the people have been more than disappointed—they have been duped and deceived. Where is this promised *national gold currency*? If it be paid out or used in the expenditure of the Government, it is among the office-holders only. The people never see it. What has become of the famous gold bill which was to bring so much gold into the country, and prevent any of it from being exported? Where are your three branch mints, and where your boasted gold mines of Virginia, North-Carolina, and Georgia?... An answer is at hand, and it is the remarkable silence of

The experience of a few years has fully condemned the policy of the much boasted gold bills. Two official communications, laid on our tables, sent by the President from the Director of the Mint, the one at the last, and the other at the present session, inform us that the promised advantages of the gold bill have failed! Its operations have been *injurious*, and its repeal is now advised by him! Next, as to the branch mints. During their entire operation, now going on three years, however they have coined altogether five hundred thousand dollars in gold! Now, of them, last year, the New-Orleans mint, in North Carolina, the sum of eighty-three thousand dollars of gold! At another, the branch mint at Charlotte, in North Carolina, the sum of eighty-four thousand one hundred and sixteen dollars! This was coined in about thirteen months, at an expense of thirty-three thousand four hundred and sixty-six dollars! What is it, actually, in the expense of these branch mints, that, with a sum of gold coin, amounting to one hundred and forty thousand dollars, and a sum of one hundred and sixty-five dollars, being a clear loss to the country of nearly one half the whole amount of coinage consumed in current expenses, independent of the original expenditure for the purchase of ground, building the mint, and supplying the needed machinery! I All must see that these boasted branch mints, go far from adding any thing to our national currency, have, passed, a

heavy charge on the Treasury! It was said, in debate in this House, by a gentleman from Pennsylvania, (Mr. Ogle,) that every ten cent piece coined at the branch mint in New-Orleans, if the interest on the capital invested in the establishment were included in the calculation, had actually cost the Government thirty cents! Mr. Phillips, in my opinion, proves that the principal

The report of the Director of the Mint at Philadelphia, in my opinion, proves that the mint has ample capacity to do all the coining which the country may require, and its resources need, and upon much cheaper terms than those of the United States, and at one of these branch mints. The boasted supplies of gold from our own soil have dwindled to an insignificant amount. The chief part of what remains was furnished in gold coins from other countries, principally in the payment of debts under the treaty with France! But take the whole together, and how far does it go towards furnishing us with a national currency of gold? It is as a drop in the ocean! So insignificant when compared with the extent of the want which was promised to be supplied, that it's difficult to imagine that such a purpose could ever have been seriously entertained.

This grand measure, which the *Globe* had said "escaped the notice of all the great *peace statesmen*," this great and new discovery, has proved a mere bubble, and has exploded! The people, who have been duped and are now suffering the consequences of the deception, look to the Administrators for relief! And what relief does the Government propose? None; none! Mr. Van Buren now declares it to be no part of the duty of the General Government to regulate the currency and exchange of the nation. Let us contrast his opinion with that of his predecessor, in whose "footsteps" he promised to "tread." In a message of General Jackson, before quoted, he not only admitted this to be a part of his official duty, but declared that his State bank system had met and

supplied these wants. Contrast this message of General Jackson with that of Mr. Van Buren in September, 1857. About the same time the confidence had established the great injury which had been done by this disturb-
ance in the gold system of currency and exchange, Mr. Van Buren came into power. So signal
was the failure to realize what had been promised in this new experiment, that it constrained him
to call a special session of Congress, and in his very first message, instead of suggesting something
for the relief of the country in its disordered and confused currency and exchange, he evades this
high and important duty by declaring it is not *constitutional* for him to interfere in the matter.
When all eyes of a distressed people are imploringly turned with anxious solicitude towards such a
capital of our common country, instead of an affectionate and a kind word of sympathy at such a
crisis from our chief ruler, Mr. Van Buren tells the people—

"All communities are apt to look to Government for too much!! Even in our own country, where its power and duties are so strictly limited, we are prone to do so, especially at periods of sudden embarrassment and distress. But this ought not to be so!!"

General Jackson, in his message, spoke of the wants of the "community," admitted it as his duty to provide for them, and thought he had done so. But Mr. Van Buren says "All our efforts are apt to look to Government for too much aid." And with that cold response, he leaves a suffering and distressed community to take care of itself as may, and simply proposes a plan—a hypothesis, if I may call it so, from which it follows that the public dues and revenue are to be paid by those in hard misery; I who have for the present in the hands of that same community, that very people to whom he gave that cold and icy response!

But another reason is found for the Sub-Treasury bill in the allegation that it will avoid the lending of the public money.

Whether the money would be used for private purposes or not, must depend on the honesty and integrity of the depository. Agents must be employed, and banks are managed by men, as will be your Sub-Treasurers—all will depend, in either case, on the honesty of the agent. But I charge that the Administration partly *expressly authorized* and even urged the use and lending of the public money by the depositary banks! To prove this, I will at once read the testimony—it is full and ample—furnished by General Jackson and Mr. Taney to Congress, and printed among the public documents. The first step of the Government towards lending the public money for individual use is found in Mr. Kendall's report before alluded to, made at the time when he was sent, like the serpent of old, to allure and decoy the State banks from the even tenor of their way. Alluding to the large amount of public money on deposit, he says:

"Should neither the Treasury nor the Bank restore a portion of this great sum to circulation, the consequences apprehended would be of the most serious kind: and the community of New-York were beginning to look earnestly to the Government for relief."

The sequel will prove that this relief was attempted to be granted by lending the public money. And yet, Mr. Van Buren says, "All communities are apt to look to Government for too much!" The next proof is found in General Jackson's message to Congress, in December, 1833, where

"I am happy to know that, through the good sense of our People, the effort to get up a panic has hitherto failed, and that, through the increased accommodations which the State banks have been enabled to afford, no public distress has followed the exertions of the bank."

Mr. Bond said he would now read certain letters, written by Mr. Taney, Secretary of the Treasury, to a number of the depository or pet banks, as they were called. He read as follows:

"TREASURY DEPARTMENT, September 26, 1862.
Sir:—The Girard Bank has been selected by this Department as the depository of the public money collected in Philadelphia and its vicinity, and the Collector at Philadelphia will hand you the form of a contract proposed to be executed, with a copy of his instructions from this Department. In selecting your institution as one of the

local agents of the Government, I not only rely on its solidity and established character, as affording a sufficient guarantee for the safety of the public money entrusted to its keeping, but I confide also in its disposition to adopt the most liberal course which circumstances will admit, towards other moneyed institutions generally, and particularly to those in the city of Philadelphia.

The deposites of the public money will enable you to afford increased facilities to commerce, and to extend your accommodations to individuals; and, as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodations which the public deposites will enable your institution to give, whenever it can be done without injustice to the other classes of the community.

"I am, &c.

"To the President of the Girard Bank, Philadelphia."

The letter just read is found in Senate documents, 1st session, 23d Congress, 1st vol. doc. No. 2, page 33, and the following letter is found at page 36 of the same document:

R. R. TANEY,
Secretary of the Treasury.

Sir: This Department has selected your institution as one of the depositaries of the public money of the United States, and I send you enclosed the draught of a contract, which you will please have executed in proper form, under the corporate seal of your institution, and forward to this Department immediately. After you have done this you will be bound to observe the same course in giving to your customers, as you do to the Government, the instructions from the Department to deposit all public money in their hands, or which they may herself or receive in your institution to the credit of the Treasury of the United States. I also enclose to you circular instructions to be given to your customers.

"In selecting you as an institution as one of the agents of the Government, I not only rely on its solidity and established character, as affording a sufficient guarantee for the safety of the public money entrusted to its keeping, but I also rely on the fact, that it is the most liberal in its course which circumstances will admit towards other moneyed institutions generally, and particularly to those in your city."

"The deposites of the public money will enable you to afford increased facilities to the commercial and other classes of the community, and the Department anticipates from you the adoption of such a course, respecting your accommodations, as will prove acceptable to the People, and safe to the Government.

"I am, &c.

R. R. TANEY,
Secretary of the Treasury.

"To the President of the Maine Bank, Portland, Maine."

In this same report, from which the foregoing letters are copied, Mr. Taney states that letters similar to the one addressed to the Girard Bank, just read, were

"Sent to the Presidents of the Commercial Bank and the Merchant's Bank of Boston, the Manhattan Company, the Mechanics' Bank, and the Bank of America, in the city of New-York, and the Union Bank of Maryland, in Baltimore.

Mr. Taney also there reports that letters, similar to the one before read and addressed to the Maine Bank, Portland, were also sent by him.

"To the Presidents of the Commercial Bank, at Portsmouth, New-Hampshire; the branch of the Bank of the State of Alabama at Mobile; the Planters' Bank of the State of Mississippi, at Natchez; the Union Bank of Tennessee, at Nashville; the Franklin Bank of Cincinnati; the Bank of Virginia, at Richmond; the branch of the Bank of Virginia, at Norfolk; the Bank of the Metropolis, at the city of Washington; the Bank of Burlington, in Vermont; the Arcade Bank of Providence, Rhode Island; the Farmers' and Mechanics' Bank at Hartford, Connecticut; the Union Bank of Louisiana, and the Commercial Bank, at New-Orleans."

In the first class of these letters Mr. Taney, as we have already seen, says:

"The deposites of the public money will enable you to afford increased facilities to commerce, and to extend your accommodations to individuals; and, as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodations which the public deposites will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community."

And in the second class of these letters the same Secretary says:

"The deposites of the public money will enable you to afford increased facilities to the commercial and other classes of the community, and the Department anticipates from you the adoption of such a course, respecting your accommodations, as will prove acceptable to the People, and safe to the Government."

Thus we have seen, not only an official permission, but an absolute command issued from the Treasury Department, under General Jackson's Administration, requiring the deposite banks, throughout the whole country, "to increase the facilities to commerce," and "to extend their accommodations to individuals" by discounting on the public money! How do these official orders and documents compare with Mr. Secretary Woodbury's report on the finances, December, 1838, where, in urging another new plan upon the country, he says:

"The change, so far as it respects the mere collecting and disbursing officers, will have a decisive tendency to preserve, not only the Government, but them and their securities, from these losses, which it was never contemplated they should hazard, by making loans or speculations with funds held in sacred trust for purposes entirely public in their character and constant in their demands."

"Who shall decide when doctors disagree?" We find Messrs. Taney and Woodbury, both of the same party, each a follower of General Jackson, in succession holding the same office in his Cabinet; but their official papers cannot well be reconciled. A question may, however, be justly

put to Mr. Woodbury: Was he not a member of General Jackson's Cabinet at the date of these official papers issued from the Treasury Department by Mr. Taney? and did he not consent to them? Mr. Woodbury will be obliged to answer in the affirmative; and I will only add that, in these documents, another illustration is furnished of the discrepancy between the professions and practice of this Administration. But still further documentary evidence is found to prove that General Jackson's Administration actually lent the public money, in discounts, at the State banks.

Another reference is now necessary to Mr. Kendall's report. One of the obstacles which presented itself in his arrangement for transferring the public depositories to the State banks, grew out of some apprehension that they might not be able to transfer the moneys free of expense at the various points where the Government might need it, as in the Bank of the United States had done. This obstacle, however, was easily removed by the fact that the State banks had large enough resources to redeem in the large cities, their branch notes, paid in for revenue, and deposited in the State banks. But at length Mr. Kendall, in his cunning, (as he thought at the time, but which the sequel proved to be a great error,) devised a plan in connexion with the State banks, by which it was to be most unquietly attempted to compel the Bank of the United States to transfer the public money as the Government desired it, notwithstanding the discontinuance of that institution as the public depository. This plan is thus described by Mr. Kendall in his report. He there says:

"As soon as they have received a quantity of branch paper, they will demand that the Bank of the United States shall place the Government funds represented by it in the places where they may be wanted; and if, as they anticipate, that shall be declined, they will proceed to cash the paper with all possible expedition. In that event, they believe the Bank of the United States will be compelled, as the only means of saving her interior branches from ruin, to place the funds wherever they may be required. In a contest with the Bank of the United States, they will require little or nothing of the Treasury."

Did this scheme, unjust as it was, succeed? No: far from it. The State banks enlarged their discounts, under orders from the Secretary of the Treasury, and the Bank of the United States, in the course of its business, actually received more of the notes of the deposite banks than they could afford to hold. The State banks, however, were compelled to do this, because they would be obliged to pay the Bank of the United States considerable balances in specie. The grand scheme to compel the bank to transfer the public moneys vanished! And the very Administration that now complains of excessive bank issues, and goes for a hard-money currency, then censured the Bank of the United States for desiring the payment of balances from the deposite banks, which would have been a means of a wholesome restraint on the line of discounts! But, in order to sustain the deposite banks in their increased discounts and accommodations, the Treasury Department actually gave checks for large amounts of the public money on deposit in the Bank of the United States, and placed the same in the deposite banks. The sums thus lent were as follows: One hundred thousand dollars to the Union Bank of Baltimore; five hundred thousand dollars to the Bank of America; a similar sum to the Mechanics' Bank; and a similar sum to the Manhattan Bank—all in New-York. Thus making upwards of two millions of the public money lent by Mr. Taney in drafts on the Bank of the United States, independent of his permission and order, before read, to discount on the current and acrevices revenues of the Government.

The letters of Mr. Taney, transmitting the drafts for these several sums of money, may be found in Senate documents, 1st session, 23d Congress, 1st vol. doc. No. 16, pages 331 and 330; where may also be seen several letters from the officers of these banks to Mr. Taney, assuring him that they had contributed to the relief of the community by enlarging their discounts in accordance with his wishes. In one of these letters, Mr. George Newbold, President of the Bank of North America, New-York, says:

"The extension of our loans we have considered a point of duty, and not to be avoided with propriety, under the circumstances; and being furnished by you with the means of protecting, in the meantime, the city banks, and the community, in case of need, we have been enabled to perform that duty without apprehension of injury."

I leave this part of the subject, and submit to the committee and to the country if my proposal, that the Administration authorized the lending of the public money, has not been fully established.

I will again call the attention of the committee to the fact that the Administration first commanded the State banks as worthy of all confidence, and then determined to prostate them. To accomplish first one and then the other of these purposes, Mr. Levi Woodbury, the Secretary of the Treasury, has been a leading agent and instrument. He writes in their favor and against them with equal readiness and facility. He never wants facts to prove them *superior* as public depositories to individual agents; and is equally prepared to prove the *converse* of this proposition, if the interest of his party require it. The chairman of the Committee of Ways and Means (Mr. F. M.) has told us that he justified himself in sustaining the bill now proposed to be passed authorizing the issue of Treasury notes, by looking, in the formation of his opinion, "to the Secretary of the Treasury." Mr. Woodbury is well known to possess more corroborative information than almost any other man. The whole subject is before him. Every avenue of information is accessible to him. This position seems just, and might be fairer; but if Mr. Woodbury had not made such contradictory reports upon the same subject-matter. But his official communications are so contradictory and inconsistent that I cannot rely upon any of them. I will now en-

deavor to prove this to be true. In a previous part of my remarks it will be remembered that I alluded to a special report made to Congress on the 12th December, 1834, and said I would recur to it again, and examine it more at large. This I propose now to do. The State banks had just then been prevalent, and become the depositaries of the public money, and the Government had come to consider them to be the most safe and worthy of all confidants. Mr. Woodbury was not satisfied with an honorable mention of them in his regular annual report on the finances, but in that report promised a special communication, devoted entirely to that subject. This special report was made on the 12th December, 1834, and may be found in Senate documents, 2nd session, 23d Congress, vol. 2, doc. No. 13. I now intend to read from it. In his introductory remarks, Mr. Woodbury says:

" Considering the unusual excitement that has attended the measures and discussions of the past year, connected with the above subject, [the deposite of the public money,] it would probably be deemed a neglect or an evasion of proper responsibility if the undersigned did not submit full information concerning the places where our revenue is now deposited and kept: the principles on which the selection of them by this Department is justified: the mode in which the existing system of the preservation and disbursement of the public money has been found to operate; and the advantages and disadvantages which are likely to result from a return to any former one, or from the adoption of any proposed improvements in the existing system."

It will be seen that Mr. Woodbury pleased to report on the State bank system in regard to the deposite of the public money. As having so far done, fully examined the whole subject, he comes to the conclusion that that system has proved to be and is superior and more trustworthy than the agency of the Bank of the United States, or *individual agents*.

I will now read from his report. After suggesting some difference in favor of the State banks over that of the agency of the United States Bank, Mr. Woodbury says:

" Considering these differences, coupled with the fact that the selected banks, without regard to others, are or ought to be chosen from the most flourishing and secure; that and that collateral security can be required whenever the deposite is so large as to seem to render it judicious; that the Government possesses advantages superior in case of their embarrassment; and that the whole capital stock of the bank to be loaned to the public debt will be easily determined, there can be no very disadvantageous comparison in theory between the safety of the Government under the present rather than under the former system. * * * The losses which have formerly been sustained by the General Government, through the failure of certain State banks, selected, according to the impressions of many persons, principally, if not entirely, between 1811 and 1816, or between the expiration of the old and the passage of the new charter of the United States Bank, have been frequently adduced as objections to the safety of the present system; and, without some detailed examination and careful discrimination, are, it is freely admitted, calculated to awaken some doubt as to its actual practical security. But it is a mere fact, in accordance with the inquiry, that there were no regular banking institutions, that is, not a single selected State bank, in existence at the old charter and the grant of the new one, and that none of our losses, included in our unavailable funds, happened until some time in 1817, after the United States Bank was in operation. Then, whether destroyed by an exertion of the power of the bank alone, or, as is more probable, by numerous causes combined, it appears, from a careful analysis of the unavailable funds which we now have and formerly had on hand, that some of the selected banks became embarrassed."

Mr. Bond said he would contrast various passages found in the several reports made to Congress by Mr. Woodbury, on the comparative advantages and losses to the Government in the use of State banks, and of individual agents, of the public money. One report had been made by him, perhaps so; but three of them would be used; one before referred to, dated 12th December, 1834; another dated the 27th February, 1838, being doc. No. 191, in the 7, House of Representatives, 24th session, 25th Congress. The third dated the 9th day of December, 1839, being doc. No. 10, House of Representatives, of the present session, and to which special reference is made in the annual report (of the same Secretary,) on the finances at this session, in the report of 12th December, 1834, Mr. Woodbury says:

"But it is a remarkable fact connected with this inquiry, though often represented otherwise, that not a single selected State bank failed between the expiration of the old charter (of the United States Bank) and the grant of the new one, (from 1811 to 1816,) and that none of our losses incurred in our unavailable funds, happened until some time in 1817, after the United States Bank was in operation."

Extract from Mr. Woodbury's report, December 12, 1834.

"Without reference to the financial injury and embarrassment, caused to our first, and only, banking community, at the time of the short suspension of specie payments by some of the State banks, it appears that our losses, in consequence of the failure of the available funds of any kind occurred among the State banks selected, not between 1811 and 1816, but before or afterwards, and in aid of the United States Bank."

Extract from Mr. Woodbury's annual report, December 1839.

"Among the banks the largest losses were from 1813 to 1817, then consisting entirely of depreciation on notes taken, and from 1821 to 1824, consisting entirely of deposits."

I desire those who hear me, or who will take the trouble to compare the documents, to mark the years and periods selected by Mr. Woodbury in the several passages just read, and decide whether they can be reconciled, if the motive of the Secretary was, on each occasion, to give the entire truth.

Mr. Woodbury tries to protect himself now by referring to Mr. McDuffie's report, made in 1830. That document was in the Secretary's possession in 1834, and why did he not refer to and use it? Because it conflicted with the views he was then urging upon Congress. It now suits him to present a different view of the same matter, and he seizes a paragraph from that report, and holds it up in bold review, but says nothing of the green body of that report, which, had it been followed, would have averted the sad calamity under which the nation now labors. This alleged loss by depreciation on bank notes, now due, was not due by Mr. Woodbury, as occurring during the period of war, bring up the recollection of a fact, that during the intervening period, the notes of the State banks were *more* *depreciated* than the Treasury notes of the Government. The earnest and patriotic desire of the State banks to sustain the Government at that crisis, brought upon them a serious injury. Mr. Woodbury, in his report of 12th December, 1834, says:

"The Government stocks acquired by the patriotic loans of some of the State banks during the late war were in some degree sacrificed, in several instances, to enable them too early and suddenly to resume and support specie payments."

The State banks patriotically aided the Government during that season of war, and were obliged to sacrifice the debt which the Government owed them. It would not command its nominal amount. Here, then, the banks actually lost on those stocks, for they parted with them at less than their nominal value. And it might with as great propriety be argued that the Government justly owed the banks a large amount for losses on depreciated stock, as that the banks owe the Government for losses on depreciated paper. Indeed, with greater reason: for the Government put off the bank notes at their nominal amount. And although it is true that the credit of the Government was restored, and that it was peculiarly important that the public stocks then lost their value, still, before this, many of the banks, which the Government had contributed to weaken, by inducing them to make large advances, had been obliged to sacrifice those stocks. I will proceed with contrasting other passages from the Secretary's report:

Extract from Mr. Woodbury's report, December 12, 1834.

"Justice to the State banking institutions, as a body, whose conduct in particular cases has certainly been questionable, but whose injuries to the Government have been almost incredibly exaggerated, and whose great losses, in consequence of the depreciation of their stock, and while neither of them existed, have been almost entirely overlooked, has led me to make this statement, and submit it to the reader, that with it will be no difficulty, notwithstanding the frequent and violent accusations from that class of persons, since 1828, among collecting officers, in each since 1793; and among deposit officers or banks, in all since 1817.

"The most notorious and violent accusations, within the period described, has been by deposit officers, consisting of banks, and including, as the resolution requires, the depreciation on such of their notes as were taken for public dues. The loss of these, at the lowest estimate, amounts to six millions and a half of dollars."

"Under these circumstances, so very frequently repeated, the reader will easily be satisfied, if, for his former small losses by them, in keeping and paying over public dues, under circumstances so very adverse, are compared with the losses, in consequence of their failing or disturbing that revenue, their present safety seems to be as great as is consistent with the usual operations of the Government, or with the credit which it always was entitled to, Government, in some way or other, to agents of some kind, in keeping the public money."

I think the discrepancies in the above passages are too striking to require any particular emphasis. I will read others:

Extract from Mr. Woodbury's special report, December 12, 1839.

"It is gratifying to reflect, however, that the credit given by the Government, whether to paper or bank notes, has been steadily increasing, and that the confidence in the experience under the system of State banks, in the country, at their worst period, and under their severest depression, has been restored, and that the confidence given has been great, and that the confidence given has been given in relation to its pecuniary transactions."

"Thus the truth on this much misunderstood and misrepresented subject, did not fail to show, that one of a selected bank did not fail, during that period while no United States Bank was in operation, but that of those who afterwards stopped payment with the same notes, were taken from the same State, from different counties, and a part which causes produced eight or ten fold as many failures in England, under the

Extract from Mr. Woodbury's annual report on the finances, December, 1839, and same matter repeated by him in his special report, December 4, 1839.

"The largest amount of loss from each class of notes, as apportioned by the Government, with the period described (the period referred to in his report of December 12, 1834,) has been by deposit officers, consisting of banks, and including, as the resolution requires, the depreciation on such of their notes as were taken for public dues. The loss by this class, at the lowest estimate, has exceeded six millions and a half of dollars."

Extract from Mr. Woodbury's special report, dated February 27, 1838.

"In answer to the first question, as to the amount of all balances against all banks which have been used as public depositories, that is not secured, or will probably

full control and influence of a national bank there as well as here, four of the number have since discharged all their liabilities, and the residue, or the remaining four, are in arrears, in amount, in arrears before estimated, is less than \$35,000. This is not the title of the sum which has frequently been lost to the Treasury by the failure of the State banks to pay to the Government their obligations for imports; not equal to the sum frequently lost by the failure of many single discharging agents to pay to the Government their debts to the Government, and under large bonds for security. Whether they [losses by State banks] arose from an unusual policy pursued by the United States Bank, or from the circumstances of the case, and the particular legislation or non-legislation can always avert, or from less justifiable reasons and in spite of all the salutary influence of the Vice-President, and the Secretary of the Treasury, in praise of this description of public debtors—the selected banks—that there is not now due on deposit in the whole of the United States, even from the moment from the establishment of the Constitution to the present moment, a sum much beyond what is now due to the United States from one member of the three powers, or from the whole of the three powers, when security was required, and supposed to be taken, under the responsibility of each. If we include the whole present due to the United States, from all the State banks, and all kinds, and of all kinds, whether as depositaries or not, and embrace even counterfeit bills, and every other species of unavailable funds in the Treasury, we will find it exceeds \$32,000,000 from two such items. Of almost one hundred banks, not depositaries, which during all our wars and commercial embankments have been relied upon by the Government, and by the Government, on their bills or otherwise. It will be seen by the above table [sanctioned by the report] that the whole of these losses, or losses due from them, and every thing which they owed, and that the balance due from them, with-out interest, is less than \$32,000."

I am constrained to make a few comments on these inconsistent, if not flatly contradictory reports of Mr. Woodbury.

If Mr. Woodbury's reports in February, 1838 and December, 1839 are true, then he was guilty of a culpable omission in his report of the 12th of December, 1834. This last mentioned paper is designed to sustain the President in adopting State banks as depositaries of the public money. It was his duty to prove that, in the use of this class of agents by the Government, less had been lost than by the employment of individual agents. He professed to have scrutinized the whole system, and comes to the conclusion just mentioned. If the Government had, before that time, lost five million five hundred thousand dollars by the depreciation of bank notes, why did he suppress the fact?

In his report of December, 1834, as we have already seen, he says, "It is gratifying to reflect, however, that the credit given by the Government, whether to *bank paper* or *bank agents*, has been accompanied by *smaller* losses in the experience under the system of *State banks* in this country at their worst periods, and under their severest calamities, than any other kind of credit the Government has ever given to *any* class of debtors." In his report of December, 1839, he says, "I will include the whole present due to the Government from *discredited banks* at all times and of all kinds, whether as *depositaries* or not, and embrace *counterfeit* bills and every other species of unavailable funds in the Treasury, they will not exceed what is due from two such firms," (alluding to the loss the Government had met with in the case of an individual debt. Here, then, we see the Secretary speak of losses "whether by *bank paper* or *bank agents*"—of losses by "discredited banks at all times and of all kinds, whether as *depositaries* or not, and embrace every *counterfeit* bills." He goes into all these details, mentions item after item, but omits the small amount of five million five hundred thousand dollars of loss by the depreciation of bank notes.

His loss was in truth sustained, it was as well known to Mr. Woodbury in December, 1834, as in February, 1838, or December, 1839. In these latter reports, he is devoting himself to *writing down* the State banks, and *writing up* the *sub-Treasury* plan. And we now hear him report in February, 1838, "the losses by banks as depositaries (during the same period included in his report of December, 1834), to be about one million of dollars, and the loss by taking such notes about five million five hundred thousand dollars; making in the aggregate six million five hundred thousand dollars." And he adds, "If interest was cast on the above sums, the aggregate would exceed thirteen millions of dollars." And again, in his report of December 9, 1839, referring to these same losses, he says, "the interest is legally and equitably due," and "would obviously subserve the interest of many persons, happening in the most important instances, in several respects." It is in vain for him to say that in the one he spoke of losses and depreciated bank notes, and not in the others. His report of December, 1834, professes to "scrutinize" all losses of every description, "whether by *bank credit*, *bank paper*, or even *counterfeit bills*." And his object was or should have been honestly to consider and report every incident or loss, direct or indirect, which tended in any way to

be lost, adding thereto the estimated loss that has accrued by taking on public account depreciated bank notes, and the interest thereon, as computed by the same, so loss, (including the same period of time referred to in the special report of December, 1834,) will be about one million of dollars, and the aggregate of all losses, about five million five hundred thousand dollars making, in the aggregate, six millions five hundred thousand dollars. This is without the addition of any new losses, or losses due from other sources, or statements. If interest were cast on the above sums, the aggregate would exceed thirteen millions of dollars."

Mr. Bond said it would be inappropriate here to state another instance to prove that the documents mentioned by the Treasury Department, were not to be relied on.

It will be remembered that Mr. Woodbury, in his report of the 25th of Congress, sent a document to this House, purporting to contain the correspondence of the Treasury Department with the various receivers of the public money, and in which many delinquencies among this class of agents were specified. In that document is found a letter addressed to the receiver of public money at Chillicothe, Ohio, charging that officer with some omission of his duty. Feeling it my duty to submit this document to my constituents some time in the summer of 1838, when addressing a public meeting of the people in the county of my residence, I called their attention to many of these letters, and particularly to the one already alluded to, addressed to the receiver at Chillicothe. The election for members of Congress and of the General Assembly was then coming on in Ohio, and I addressed a letter to the editor of the *Ohio Statesman*, in which I said, "I have a paper from the chief clerk of the Treasury Department, purporting to contain the correspondence of the Treasury Department, addressed to the receiver at Chillicothe, was not intended for him, but for another receiver!" Immediately after this announcement, the whole affair was charged by the Van Buren party to be false; and I could never afterwards prevail on a single member of that party to listen to any part of that document, though sent to Congress by Mr. Woodbury under the official sanction of an oath, and by that body ordered to be printed. Other documents are at hand from that same Department, in which gross errors are found. But, leaving them for some other occasion, I will again proceed to contrast certain other parts of Mr. Woodbury's report of the 12th of December, 1834, with his annual report on the finances, December, 1838. In the first, it will be found, he condemns the system of individual depositaries for the public money, now known as the *sub-Treasury* plan, and, at present, when it is in the wish, if not the interest, of the Administration to sustain that system, he gives it a decided preference. Let us now read from each report:

Extract from Mr. Woodbury's report, December, 1834.

"In considering that the *State banks* safety should be constantly recognized that the owners and managers of banks, when properly regulated by legislation, provisions in their charters, are like other individuals, and individual business, necessarily, instances of making and not losing money, and in these circumstances, with the preference, in case of failure, belonging to depositors and holders of their bills over stocks, and other property, and the same property belonging to the Government, render them, in point of safety, generally much safer to individual agents of the United States."

"Hence, unless the States and the United States should both do it proper gradually, and, in the end, have a *sub-Treasury* plan, system, and plan, which even, if not anticipated, the Government cannot expect occasional losses from that quarter, and can never hope to escape all losses from bank and fiscal agents, except by the employment of a few, or a few, or a few, and individual agents, who will probably be found less responsible, safe, convenient, and economical."

If one can be justified at any time in relying on the political opinions of Amos Kendall, I will now give his opinion in 1834, in favor of the system of depositary banks, over that of an individual agency in the management of the public money; that is, the *sub-Treasury* plan. In his report already referred to, he says:

"When it is seen that the managers of the *State banks* are willing to pledge not only the capital of those institutions, but their own property and character, it will be impossible to doubt that the deposite is as safe in their keeping as human agency can make it."

At one time, Mr. Woodbury reports the loss by individual collecting officers to be from \$900,000 to \$1,200,000; and, at another time, reports the same class of losses for the same time as *not* much exceeding \$3,000,000. This may be seen by reference to his report of the 27th February, 1838, and that of 9th December, 1839, as well as his last annual report on the finances. But it must be remembered that in none of these reports does he include the losses sustained by the Government in the defalcation and fraud of Samuel Swartout, the collector of the revenue in the city of New-York, an officer appointed by General Jackson, and continued in office by Mr. Van Buren. This single defalcation amounts to the enormous sum of one million two hundred and twenty-five thousand dollars! Nor does he include the defalcation of Price, another of Mr. Van Buren's friends, who held the office of district attorney in the southern district of New-York, whose defalcation is not yet fully developed, but is supposed to be fifty thousand dollars! And to these may be added a long list of defalcating land office receivers and other collecting agents of the Government,

within the last four years. These are not included by Mr. Van Buren and Mr. Woodbury in their official papers, in which they undertake to contrast the losses by bank depositaries with those by individual agents of the Government. If we adopt the amount of loss reported by Mr. Woodbury in his communication of the 12th December, 1834, as being sustained by the Government, in the use of banks as depositories from its commencement to the date of that report, it will be found that the single loss by Swartwout exceeded that sustained in the use of banks throughout that long period just mentioned. The amount which is represented by Mr. Woodbury as lost by the banks is \$1,157,890 85, and this in a term of near fifty years, whilst the single loss by the collector, Swartwout, is \$2,500, in about two years! It should here be stated that Mr. Woodbury now reports the loss of \$300,000 to have been paid on the bank debt, which reduces the loss by banks to less than \$900,000.

It will perhaps be attempted to justify Mr. Woodbury in his gross discrepancies by using the fact stated in his report of the 9th December, 1839, viz: "The losses by depository paper of the banks do not appear at all on the Treasury books, but are given from computations made by the Department." If Mr. Woodbury could find any data, more official, books on which to calculate a loss of upwards of five millions of dollars in 1834, and also in 1839, why did he not discover and use the same materials in 1834? This is a most unadmirable, not to say improper way of communicating official information from one of the Departments of the Government. It places every thing in the hands of the Secretary. He may make the loss nothing, or immense in amount just as he pleases. Mr. Woodbury has done. At one time he made it nothing, and when it suits him to change his purpose, he makes it five million five hundred thousand dollars! And on another occasion he adds the interest to this sum, runs it up to an aggregate of thirteen millions of dollars, and declares the whole amount to be "legally and equitably due." If that be just, the books of the Treasury have been strangely kept. The Secretary of the Department reports a sum of thirteen millions of dollars to the Government, says that the whole amount is "legally and equitably due," but that no part of it "appears at all on the Treasury books." This immense loss has nothing whatever to sustain it but Mr. Woodbury's computations. He could as well have made it fifty millions as five. It is rest upon his computations, and can contradict that. But it is a gross slander on his predecessors in office, for the sum mentioned by Mr. Woodbury, or one dollar of it, be, as he says, "legally and equitably due," the books of the Treasury ought to show it, as they do all other items of loss, and as they do particularly show the details of the amount lost by the State bank depository system, reported by him in December, 1834, and in all his subsequent reports. The truth is, that during the period when Mr. Woodbury now affects to believe this great loss happened, the notes of the State banks were superior in value to the Treasury notes of the Government; and the greater part of all the State bank notes which the Government received were again disbursed in its original currency, at their par value.

Let us, then, take the amount of loss incident to the use of State banks as depositories for the public money, so far as it can be found on the books of the Treasury, and fully reported by Mr. Woodbury in December, 1834. And what is it? It was then reported to be, from the origin of the use of Government, in 1789, to the 10th of November, 1834, \$1,157,890 85. And in his report of the 9th December, 1839, he states that nearly \$300,000 of that sum has been paid, so that the actual loss of principal is less than \$900,000. Now, compare that loss with the amount of loss sustained by the Government in the use of individual agencies during the same period, as reported by Mr. Woodbury. By his report of the 9th December, 1839, he states the following losses to the Government through individual agents, in collecting and disbursing the public revenue, from the 4th of March, 1789, to the 4th of March, 1837, viz:

Losses by collectors of the customs,.....	\$1,198,979 91
Losses by disbursing officers, viz:	442,955 76
In civil department,.....	397,304 14
Do. do. of internal revenue, &c.,.....	
Do. do. by receivers of land sales,.....	\$2,038,549 81
 Total losses by collecting officers,.....	
Losses by disbursing officers, viz:	\$898,023 97
In civil department,.....	4,058 549 00
In military and naval do.,.....	
 Total losses by disbursing officers,.....	4,956,573 56
To these I will add the loss by S. Swartwout, collector at New York, appointed by General Jackson, and confirmed by Mr. Van Buren,.....	1,225,000 00
Supposed loss by Mr. Price, District Attorney at New York, appointed as above,.....	50,000 00
 Total loss by individual agents,.....	\$5,270,123 37
Amount of loss by banks, according to Mr. Woodbury's report, 12th December, 1834, giving the credit of \$300,000 recently reported by him,.....	857,890 85
	\$7,412,232 52

It thus appears that the Government has actually lost \$7,412,232 52 more by *individual* than by bank agency! And if you add the losses by the Government on individual bonds for the public revenue, stated by Mr. Woodbury in his last annual report on the finances at \$7,500,000, it will

appear that the total loss sustained by the Government, in individual agency and credit, exceeds the loss by banks \$4,200,000! To this, too, may be added other losses to land offices, receivers, Litigation, &c., &c., others, not yet specified in detail, but exceeding, together, \$100,000, and making a grand total of loss by individuals beyond loss by banks of upwards of \$15,000,000! The losses, as reported by Mr. Woodbury, not only show the aggregate result just mentioned, but, by his official documents, it is manifest that the losses have been less by banks than by collectors. They have been less by banks than by collectors of internal revenue and receivers of land offices. They have been less by banks than by individual disbursing agents in the civil department. They have been less by banks than by disbursing agents in the military and naval branches of service, separately or jointly. They have been less by banks than by individuals on their bonds for the payment of the revenue due to the Government, and by State banks with the amount of \$1,100,000 and upwards, gained by the Government in the sale of the stock of the Bank of the United States, then no public loss has been sustained by the banking system.

But I must call the attention of the committee and of the country to an important fact. In this effort of Mr. Woodbury to prove that greater losses have been sustained by the use of State banks than in the employment of individual agencies, (and in which, I think he has signally failed,) it is not pretended that any loss was ever sustained by the Government when it employed a national bank. For two terms, of twenty years each, making an aggregate of forty out of the fifty years, the entire age of our Government, we employed a national bank. During each of these terms the country enjoyed a sound and uniform system of currency and exchange; and the whole amount of its revenue, being several hundred millions of dollars, was disbursed through that institution, was always paid in specie. When we wanted, and without the help of a single cent, And, instead of losing any loss by the Bank of the United States, the Government actually made a profit of more than \$1,100,000 by the sale of the stock which it held in that bank. But on each occasion when we have attempted to dispense with such an institution, the currency and exchange have become disordered and irregular, and heavy losses have followed. Comment is unnecessary. "He that ears to hear, let him hear."

Mr. E. said he would now bantler to the conclusion of what he had to say, and, in doing this, would allude to one or two things which he thought had materially contributed to impoverish the public treasury and embarrass the community. The disastrous experiment upon the currency was forced upon the nation against the advice of many of the most eminent and firm friends of General Jackson and the Bank of the United States. The committees in the Senate and House referred to in the early part of my remarks, establish this proposition. But the ultimate fate of society prevailed. It was openly declared on this floor that credit and commerce might both perish, rather than the Administration should abandon their measures against the Bank of the United States. And we have at length nearly realized this state of things. The credit system is prostrate, and our commerce has dwindled until the revenues derived from it are not adequate to meet the current demands upon the Treasury. The Administration is now urging the passage of the bill under consideration, authorizing them to pay the public creditors in Treasury notes.

But our Treasury has been impoverished by the extravagance of the past and present Administrations. They came into power professing great economy, and determined to effect a national and reform; but, from year to year, the public expenses have increased until they equalled in one year the aggregate amount of three years of the public expenditures under the Administration of Mr. Adams. It was now indeed very convenient to avoid responsibility for this extravagance, by charging it upon Congress, as if the Administration party had not the power in Congress, as well as in the Executive departments of the Government. This is a mode of dodging responsibility which I trust the people of the country will understand and rightly appreciate. The Administration had the power of this House at their command; their own Speaker presided here, and appointed all the committees, during those years of such unprecedent extravagance; and, if they had disapproved of the appropriations, they could have voted them down. But they did not disapprove of them; on the contrary, on one occasion when the Opposition wished to deprive the surplus revenue with the States, certain leading members of the party voted to sustain a reluctantly concurred in motion of the Appropriations Committee to reduce the amount which would go to the States. That the Administration's approval of these appropriations was well known; and without referring to other testimony, I will read what Mr. Benton said on the subject in the Senate on the 28th December, 1836. On the occasion referred to he was justifying the Administration in having so large an amount of unexpended appropriations on hand, and said:

"All the work of the last session to create the surplus was distinctly seen by every body knew that every branch of the public service was suffering for money, and clerks raising money aturious interest to live on, and officers raising money on their own credit, while the two Houses of Congress resounded with the cry of surplus millions, and so many labored to stave off, cut down, and defeat appropriations, in order to create surplus for distribution."

After this, let us hear no more of the appropriations by Congress not being the work of the Administration. We are charged, when a particular end is to be attained, with striving to stave off, cut down, and defeat appropriations. And, again, if the Administration will not spend all, instantly change front, and declare that we passed all these extravagant appropriations. I have too much confidence in the good sense of the American people to suppose that they can be gulled by this shallow artifice. These chameleon changes of Mr. Van Buren and his friends must soon lose their magic deception.

I will not detain the committee by going into all the details of these extravagant expenditures, but will name one or two which have recently attracted my notice. The Secretary of the Treasury sent us a document, No. 17 of the present session, giving "the sums annually paid under each material head of expense, for the years 1835 to 1838, inclusive. He there states the contingent expenses of the Senate, for the years 1835 to 1838, to be \$127,823 18. A similar communication, concerning a detail of the annual expenditures of the Senate, for the year 1838, was sent on the 1st of January, 1817, to the 31st of December, 1834, was made to Congress by this same Secretary, on the 1st of January, 1836, and constituted document No 39 of this House, in the 1st session of the 24th Congress. I am thus particular in referring to these documents, because I intend to contrast a few of the expenditures in Mr. Adams's Administration with those under Mr. Van Buren. The materials for the comparison will be taken entirely from these documents, furnished under the official sanction of the present and past Administrations, by the same Executive officer. By document No. 17 already mentioned, Mr. Woodbury states the amount paid in 1838, for the contingent expenses of the Senate, at..... \$127,823 10 By document No. 39, before mentioned, he states the amount paid for the contingent expenses of the Senate in 1828, at..... 41,200 00

Thus exhibiting an excess of..... \$86,620 10 in one single item of expenditure in the second year of Mr. Van Buren's *professed* *economic* Administration beyond the amount of expenditure for the same item in the last year of Mr. Adam's alleged extravagant Administration! Again. The contingent expenses of the Senate, as before stated from Mr. Woodbury's document No. 17, for 1838, are..... \$127,823 10 The contingent expenses of the Senate, as stated in his document No. 39, for the years 1828, 1830, and 1832, are..... 103,295 17

41,200 00

\$24,527 93

Excess.....

Thus proving that, under Mr. Van Buren's Administration, the Senate, with a large and decided majority in the body in favor of his Administration, paid for their contingent expenses in one year, (1838,) the sum of \$24,527 93 more than was paid for the same item in that body during the *whole* four years of Mr. Adams's Administration.

In document No. 17, Mr. Woodbury states the amount paid in 1835, for the contingent expenses of the House of Representatives, at..... \$199,950 00 In document No. 39, he states the amount paid for the same item in 1826, at..... 54,500 00

145,450 00

Excess against the Administration in one year,..... \$200,000 00 In document No. 17, contingent expenses of the House for 1836, are stated at..... 59,000 00 In document No. 39, same item for 1826,.....

141,000 00

Excess against the Administration,..... \$225,000 00 In document No. 17, contingent expenses of the House for the year 1837 are stated at..... 90,735 12 In document No. 39, same item for 1827,.....

134,364 88

Excess against the Administration,..... \$373,960 00 In document No. 17, contingent expenses of the House for the year 1838 are stated at..... 80,000 00 In document No. 39, same item for 1828,.....

293,960 00

Excess against the Administration in one year,..... \$373,960 00 In document No. 17, contingent expenses of the House for 1836 are stated at..... 284,235 12 In document No. 39, same item for 1826, 1827, and 1828, four years together, stated at.....

89,724 88

Excess,.....

Again, proving that, under Mr. Van Buren's Administration, the House of Representatives, with a majority of the friends of the President so large that they elected their Speaker (Mr. Polk) on the first ballot, paid in one year, for their contingent expenses, the sum of \$89,724 88 more than was paid for the same item in that body throughout the entire four years of Mr. Adams's administration!

In looking after some of the items of these contingent expenses, Mr. Boxd said he turned his attention to the Official Register, commonly called the Blue Book, recently laid upon the tables of the Senate, and which is a record of the public expenses of the State, and is designed by Congress to afford correct official information to the people of the United States, and is published on the official documents from the Treasury Department. Indeed, I am now beginning to suspect almost every official communication that comes to us. This Blue Book purports to give information in matters connected with its contents, for the term of two years. In the item of printing for Congress, say from October 1837, to October, 1839, the whole amount there stated as paid to Blair and Rives, as printers to the Senate, is \$10,591 80. This is a gross error—whether designed or inadvertent, is immaterial; it proves that this official volume, sent to us by the Secretary of State, cannot be relied on. On referring to document No. 17 of this House at the present session, we find that the sum paid to Blair and Rives, for printing the Senate Register, for the term of one year, for that very time included in the statement of the Blue Book, is largely more than double the amount there stated as paid for a period of two years. How much more than \$51,000 was paid Blair and Rives during the time, I have not inquired; how near another \$50,000. But the sum, in an official document, is reduced down to \$19,591 80, and so goes forth to the country. However, even with this suppression, or error, if it be such, this Blue Book contains a sufficient display of Executive patronage to call public attention to the source of alarm. You may there see the numerous and large sum of money paid by Mr. Amos Kendall, the chief of the Post Office Department, to the various newspapers published throughout the United States, who are daily, and in every paper, advertising the administration of the State, in which will be found a gross abuse upon every one who happens to question any of the measures of Mr. Van Buren and his followers. Many instances could be designated, but I will content myself by naming one in my own State, (Ohio.) This volume, no doubt, furnishes similar instances in other States. The Blue Book exhibits different sums of money paid by Mr. Kendall, in the course of the two years ending in October last, to Nedary & Brothers, amounting to very near ten thousand dollars. If I have made no error in the addition, the exact sum is \$9,545 21. These individuals publish a paper called the Ohio Statesman, the leading Administration journal in the State, in which will venture to assert, there generally called the "Daily Citizen," in which is a continual abuse of the opportunity the editors have so well printed on the first sheet, which is the title page. They are paid both by the General Government and State administration. How it happens that Mr. Kendall has so much work for printers at the seat of Government in Ohio, I know not. But the publishers of the Statesman can perhaps tell. They are in the enjoyment of this patronage, and more. The Administration party being in power in Ohio the past winter conferred upon these same individuals, or on one of them, the office of State printers, without reducing the price of the work, when, at the very moment, several responsible practical printers expressly offered to do the same work at rates varying from 20 to 25 per cent less, than those allowed the publishers of the Statesman. We have had a similar experience in this session. The friends of the Administration, here and in Ohio, afforded an opportunity to examine by which channel the money might have been saved, and I am sure that both our National and State Treasuries need relief.

Since retrenchment and reform seem not to be practised by Mr. Van Buren and his friends, whatever may have been the professions of the party, let me inquire, what measure of relief is proposed by them? The only one which I have heard of is the bill establishing a sub-Treasury. And is this indeed a measure to heal our ills and relieve the wants of the people? A measure which has strangely united certain politicians, heretofore openly discordant and hostile! We find Mr. Van Buren, in his speech at Columbus, in the course of his tour, has written to Mr. Calhoun to request any illustration at my hands. Let us hear what the official organ (the Globe) said of Mr. Calhoun when he was resisting Executive power. The article appears in the Globe of the 1st of January, 1834, and that paper *speaks the language of the Court*. It is in these words:

"*NOTIFIER.*—We have seen a caricature in which Mr. Calhoun is designated by a label *Nulla fide*. It points out an apt derivation for the party name with which he has distinguished his partisans. In plain English, it would warn us that 'no trust' is to be reposed in the wearer of the label. Certainly no man ever nullified truth with so little remorse as Mr. Calhoun. A thousand instances could be given; but a particular instance in which he distinguished himself by an unusual pertinacity in pressing a statement which he knew to be untrue, will be given."

The instance is then given, but the parties, now being friends, must decide upon its justice. Again: In the Globe of the 31st of August, 1836, the following editorial remark is found, viz: "Mr. Calhoun, who never told the truth when a falsehood would serve his turn."

Having thus shown that the Administration organ said of Mr. Calhoun, let us state the account *per contra*, and see what Mr. Calhoun said of Mr. Van Buren. In a debate which happened in the Senate, whilst Mr. Van Buren was its presiding officer. Mr. Calhoun said:

"General Jackson would soon be out of power, and the Administration that may succeed him could not keep the South divided. He would tell the coming Administration to beware. If there be any who expected the President's nominee (Mr. Van Buren) could successfully play the game which he has, he would be woefully mistaken. With all his objections to the President, he (Mr. Calhoun) would not deny him many high qualities; he had courage and firmness; was bold, warlike, courageous, though not true to his word or faithful to his principles. He had, besides, done the State some service; he terminated the late war gloriously at New-Orleans, which has been remembered greatly to his advantage. His nominee (Mr. Van Buren) had none of these recommenda-

ions: he is not of the race of the lion or the tiger; he belonged to a lower order—the fox and the weasel; and it would be well to expose him, so he could command the respect or acquire the confidence of those who had so little estimation for him, by which he was distinguished. By the dexterous use of patronage, for which he and his party were so distinguished, an individual here and there, who preferred himself to the country, might be enlisted; but the great mass—all that were independent and sound in the South—would be finally opposed to him and his system."

Mr. Bond said he thought there was a great deal of truth in this paragraph; but he leave it to others to say whether Mr. Calhoun had not himself furnished an illustration of his own prophecy. I do not know (said he) but that estima—Moses Van Buren and Calhoun intended the public should place on their mutual illustrations of character, but that he had not done so, as he has shown any personal offence at what was said by one or the other. It is understood that "Burgoyne and Capulet have shook hands," "Good Heavens! what sweet tempers politicians have!"

The country, however, may well be alarmed; for out of this union the sub-Treasury has grown; it is not the first time that the union of discordant matter has produced a monster in the world.

By means of this union we are to have the happy privilege of paying up all taxes and revenue to the General Government in hard money! And is this hard-money currency, which has oppressed him, and his people, and the laborers of the old world wherever it has prevailed, proposed for the people of this country? their daily and other transactions? Yes sir, even so; to this "conservatism has it come at last?" Let the country hear Mr. Bond's sentiments on the subject of the Administration on this subject and submit. He says, "Gold is the constitutional national currency of the United States, and all attempts to substitute paper in its place are unconstitutional and void." At the same time he proclaimed that, "After forty years of wandering in the wilderness of paper money, we have approached the confines of the constitutional currency," which he held to be gold.

Let us see (said Mr. Bond) what effect this hard money system has on the wages of labor in France, the nation whose currency Mr. Benton so much approves, and desires this country to adopt. Recent works on the subject thus state the wages in France:

"Wages in France.—Calais, common laborers 7d per day, with board and without dwelling; Bologne, 5d, per day do; Nantes, 5d, per day, without board and without dwelling; Marseilles, 4d, to 7d, per day, with board and without dwelling. The food in some districts, 'consists in ye bread, soup made of millet, cakes made of Indian corn, now and then some salt provisions and "vegetables"; rarely, if ever, butcher's meat.' In others 'wheaten bread, soup made with vegetables, and little grease or lard twice a day, potatoes or other vegetables, but seldom butcher's meat.'"

And this same depressed state of labor pervades every other part of the known world in which a hard-money currency holds the sway.

To this I will add a passage, for which I am indebted to the instructive report prepared by the worthy, accomplished, and intelligent gentleman from Pennsylvania, (Mr. SERGANT,) when a member of the Committee of Ways and Means:

"As to fluctuations in price, they were far greater in former times, when there was nothing deriving the name of commerce, no credit, and a currency entirely of gold and silver, than they have since been. And they were infinitely more distressing; for they fell directly, and with all their weight, upon the necessities of life. From a table compiled by Mr. Jacob, in his 'Inquiry into the Production and Consumption of the Precious Metals,' it appears that the variations in England were such, as to produce intense suffering. In 1725, before harvest, the price of wheat varied from 2s. 1 quarter (money of that time) 6d, to 15s. 6d. In 1257, it rose to 21s.; 'a great famine,' Jacob says, 'when many persons perished and were starved.' In 1270, it rose to 41s. 6d., 'a famine,' it is added, 'when provisions were so scarce that parents did eat their own children,' and sometimes was sold at 6s. 8d. In 1288, it was down to 5. 6d.; and in 1289, to 1s. 4d. and to 1s. 8d. In 1317, it was at 21s. 6d., before harvest, and after harvest at 14s. In 1557, before harvest, the price was 21s. 13s. 4d., and after harvest 5s. Mr. Jacob very well remarks that 'the instances of the variations in prices which are recorded in former times will excite surprise in those readers who have not paid attention to the subject, and ought to make us all grateful to that Providence which has brought us into life in a period much less exposed to suffering than that in which our forefathers lived!'

As the price of bread has grown, the comfort of mankind have been in the same proportion increased. Crime and disorder diminished, and the condition of all classes of society has been improved, but especially of the laboring classes. And hence also the average duration of life is greater than it was by some years. A summary comparison, can be found in various authorities, may be found in McCulloch's Statistics of the British Empire. To suppose, then, that a return to gold and silver to suppose that a currency entirely of gold and silver will be a security against fluctuations, is a great mistake. To propose to legislate and to act upon such a supposition, is to advocate a retrograde movement towards barbarism and its hideous calamities. It cannot be necessary to argue against it. We ought rather to feel grateful, as Mr. Jacob suggests, that we have come into life in so good a period, and endeavor to preserve the blessings of civilization, commerce, and credit."

And yet, with all the experience and practical illustration of history before us, it is seriously proposed to legislate this nation into an exclusive hard-money currency, with all its "barbarism and hideous calamities."

Will the freemen of this country sleep at such a crisis? Vigilance—eternal vigilance—is the price of liberty! We were in the full enjoyment of national and individual welfare at the moment when the jealousies of the people were most unjustly excited against those who administered our Government in 1828. At the instant when that same reformer, Mr. Buchanan, was engaged in exciting those jealousies and suspicions, he admitted the country to be prosperous and happy!

He (Mr. Buchanan) spoke of the money which then "flowed into the Treasury" without burdening the people; and he "admitted that the then Administration applied it correctly." But he said it was in just such times that the "republic is always most in danger."

"It is," said he, "in the halcyon days of peace and prosperity, when the jealousy of the people slumbers, that abuses are most likely to steal into the Administration of your Government. When the clouds of adversity are lowering over the country, and when direct taxation becomes necessary for the support of the Government, the People are watchful and jealous, and will then attend strictly to their own concerns."

Having warned the people not to delay their measures of reform in those their "halcyon days of peace and prosperity," he said:

"I thank Heaven that in these days a 'military chieftain' has arisen, whose name is familiar to the lips of even the most humble citizen of this country, because his services live in their hearts, who will be able, by the suffrages of the people, to wrest the power of this Government from the hands of its present possessors. No one else could at this time have successfully opposed the immense patronage and power of the Administration."

By these persuasions of Mr. Buchanan, and others combined with him, the people did "wrest the power of the Government from the hands of (then) present possessors, and the 'military chieftain' alluded to was made President. But Mr. Van Buren became and continued his chief competitor, and what have we realized? "It is the maxim of despots that the people 'should never inquire into the concerns of the Government. Those who have enslaved mankind, 'from Caesar to Bonaparte, have always endeavored, by presenting them with amusements, and by every other means in their power, to attract the attention of the people from the conduct of their rulers.'

The money no longer "flows into our Treasury," "the jealousy of the people has slumbered," and at such a time "abuses are most likely to steal into the administration of your Government."

"The halcyon days of our peace and prosperity have past." The clouds of adversity are lowering over the country," and Treasury notes are issued to avoid "the taxation for the support of the Government." But, sir, the clouds of adversity "are the people consider." At such a season as this, "we are watchful and jealous, and will then attend strictly to their own concerns." And this is "what is said in these days" another "military chieftain has arisen," prudent in counsel and firm in purpose, who, to great, generous, devoted, and patriotic services in war, adds singular practical experience in the business of civil government; "one whose name is familiar to the lips of the most humble citizen of this country, because his services live in their hearts, and who will be able, by the suffrages of the people, to wrest the power of this Government from the hands of its present possessors. No one else could, at this time, have successfully opposed the immense patronage and power of this administration."

REDUCTION OF WAGES.

QUOTATIONS AND FACTS.

"REDUCE OUR NOMINAL TO THE REAL STANDARD OF PRICES THROUGHOUT THE WORLD, and you cover our country with blessings and benefits."—Mr. Buchanan's speech, Jan. 22.

"All wages are manufactured in France and Germany for one-half their actual cost in this country."—Ib.

"It was but the other day that I saw an extract from an English paper which stated that whilst the cutlery manufactured in Germany was equal in quality with the British, it was so reduced in price, that the latter would have to abandon the manufacture altogether."—Ib.

"To the Southern States—to the whole cotton, rice, tobacco, and sugar growing region—now so grievously afflicted with the curse of the paper system—to all this region I would say, study the financial history of Holland, France, and Cuba. Follow their example, emulate their solid currency. Imitate them."—Mr. Benton's speech, Jan. 16.

"To the other states I would say, do like them."—Ib.

"The foreign manufacturers pay wages, purchases his labor, his wool, and all other articles which enter in his manufacture, at HALF THEIR COST IN THIS COUNTRY, and again returns to us under the name of 'Ib.'—Mr. Buchanan's speech, Jan. 22.

WAGES IN FRANCE.—Calais, common laborer, 7d, equal to 14 cents per day, with board.

Bologne.—Ed. equal to 9 cents per day.

Nantes.—Ed. without board, equal to 14 cents per day.

Marseilles.—Ed. to 7d, with board, equal to 10 cents per day.

The food in some districts consists of rye bread, soup made of millet, cakes made of Indian corn, and then some salt provisions and vegetables, rarely, if ever, butcher's meat. In others,

wheaten bread, soup made of vegetables, and a little grease or lard twice a day, potatoes or other vegetables, but seldom butcher's meat.

SWEDEN.—The daily wages of a skilful agriculturist are 7d. to 8d., equal to 14 cents, without board, while the unskilled obtain no more than 3d. to 4d., equal to 6½ cents, and board themselves. Agriculturists in the southern provinces live on salt fish and potatoes; in the northern provinces, porridge and rye bread form their food.

BAVARIA.—Laborers are paid at the rate of 8d. per day, in the country, without board; equal to 14 $\frac{1}{2}$ cents.

BELGIUM.—A skilled artisan may earn in summer 1s. 2d. to 1s. 5d., equal to 28 cents; in winter from 10d. to 1s. 2d., equal to 22 cents per day; unskilled, half as much, without board; live on rye bread, potatoes and milk. Agricultural laborers have less.

GERMANY—DANTZIC.—Laborers 4½ to 7d. per day, without board, equal to 11 cents. MECKLENBURG.—7d. per day, without board, equal to 13 cents.

NETHERLANDS.—SOUTH HOLLAND.—Laborers 3d. to 4d. per day, with board, equal to 61 cents.
HOLSTEIN.—7d. per day, without board, equal to 13 cents.

NORTH HOLLAND—20d. per day, without board, equal to 30

ASTWESPA.—5d. per day, without board, equal to 9 cents.

WEET FLANDERS.—96s. to 104s. per year, with board: equal

ITALY.—TRIESTE.—12d. per day, without board; equal.

TRAVEL.—TRIESTE.—12d. per day, without board; equal to 11 cents.

LOMBARDY.—4d. to 8d. per day, with board; equal to 11 cents.

GENOA:—5d. to 8d. per day, with board; equal to 111 cents.

TESSANY.—\$1. to \$2. per day, with board; equal to 11 $\frac{1}{2}$ cents.

TUSCANY.—60. per day, with board; equal to 11 cents. It cannot be any longer doubted for whose benefit this 6-12

It is for the welfare of the People that this general measure was devised. It is for the People that it is not for the People, but, as we have more than one said, it is for the **public** **holders**. Sir, it should be daily and hourly repeated that it is for the **public** **holders**, the **public** **venues** are to be securely collected and safely kept. It is for them that the **gold** and **silver** is to be wrong from **every** **class** and **every** **condition**. It is for them that the **"bolts** and **bars"**, the **"vaults** and **safe**" are declared to be the **Treasury** of the **United States**, regardless of the wants and wishes of the **People**.

Here is the key to the famous declaration of the Hon. Miss Wright, "let the Gov'rment take care of itself, and let the People take care of themselves," and also the key to the most astounding assertion of Mr. Van Buren in his special message of 1837, "that the People expect too much of the Gov'rment."

Extract from John Davis' speech in the Senate of the United States, in reply to Mr. Buchanan of Pennsylvania, one of the most strenuous supporters of the administration of Mr. Van Buren and of the sub-treasury bill.

I pass to another part of the printed speech, which I deem more material, as it relates to those matters which induced me chiefly to reply to him. The Senator said:

"Sir, I solemnly believe that if we could but *reduce the inflated paper bubble*, to any thing like reasonable dimensions, New-England would become the most manufacturing country in the world, and that the sun ever shone on. Why can not we manufacture goods, and especially cotton goods, which will go into successful competition with British manufacturers in foreign markets? Have we not the necessary capital? Have we not the industry? Have we not the machinery? And, above all, are not our skill, energy and enterprise, proverbial throughout the world? Land is also abundant, in any other country, for the manufacture of cotton; but we possess every advantage which Providence can bestow, by the folly of man. The raw material, cotton, is the only article in the world, the price of which, depends upon foreign markets, and is not regulated by our own independent currency. We, therefore, save the freight of the cotton across the Atlantic, and that of the manufactured article on its return here. *That is the reason*, that, with all these advantages, and the protective duties, which our laws afford the domestic manufacturer for cotton, we can not obtain exclusive markets, and home markets, and exclusively contend for the markets of the world? It is simply because we have no sufficient amount of our own independent currency, and are compelled to sell at the real prices of other nations. *Reduce our paper to the standard of prices throughout the world*, [hard money] and you cover our country with blessings and benefit. I wish to Heaven I could speak in a voice loud enough to be heard throughout this country, to your own legislature, and to the attention of the world, that the *injustice* they are *affected by* this *hostile* legislature, and native capacity would teach them how injuriously they are affected by

"What is the banking and credit system, and would enable them to apply the proper corrective. In the banking and credit system, there would be a system of strict competition, even in the home market, with those of Britain, etc. It is to be noted, England herself, is to a great extent, a paper money country, though, in this respect, not to be compared with our own. The expense of living there is, in fact, greater than it is upon the continent. The expense of living there is, in fact, greater than it is upon the continent. The English who desire to pursue their fortunes by living cheaply, emigrate from their own country, to the various portions of the continent. The comparative low prices of France and Germany, have afforded encouragement to the English to do this."

a stimulus to their manufactures that they are now rapidly extending themselves, and would obtain possession, in no small degree, even of the English home market, if it were not for their protecting duties. Whilst British manufactures are now languishing, those of the continent are springing into a healthy and vigorous existence. It was but the other day that I saw an extract from a German paper, which stated that whilst the cutlery manufactured in Germany was equal in quality with that of Britain, it was so reduced in price that the latter would have to abandon the manufacture altogether.

What do we gather from this? What is the obstacle to the success of the manufacturer in the opinion of the Senator? What prevents him from obtaining exclusive possession of our market, and sharing those of the world in the sale of his productions? It is the *inflated paper bubble*; it is "because we manufacture at the nominal prices of our own inflated currency, and are compelled to sell at the real prices of other nations." Such, in his view, is the cause of our embarrassments and failure in success. Now, Sir, what is the remedy proposed by the Senator? "Reduce (says he) our nominal to the real standard of prices throughout the world, and you cover our country with blessings and benefits." We are to take exclusive possession of our own market, and enter those of the world successfully, by reducing our nominal to the real standard of prices throughout the world; by bringing wages down as low as those who manufacture cheapest; for by no other process can we enter the markets of the world in successful competition. The Senator shows us that England is carrying on an unsuccessful competition, in the manufacture of cutlery with Germany, because of the paper money in England. Germany, he alleges, is a hard money country and the cost of production or wages is lower, and therefore manufactures cheaper. Now, Sir, what is the standard of prices throughout the world? It must be a standard which will enable us to sell as low as others—to produce as low as the nation that produces lowest, or we can not get the exclusive possession of our own market, and enter the markets of the world in successful competition. We must go down to the wages of France, Germany, and other countries that produce lower than our labor, or the standard of prices cannot be reached. The Senator speaks of the paper money in England, in another language, the paper money to be reduced, and the standard of prices reached. The Senator says he is for a standard which will enable us to sell at prices to stand. Of what consequence is it, Mr. President, whether it shall be mixed or unmixed, hard money, or bad money and paper, if the reduction is to go on till it brings prices to this standard. Of what consequence is it, Mr. President, whether it shall be mixed or unmixed, hard money, or bad money and paper, if the reduction is to go on till this effect of coming down to the standard of prices throughout the world is produced? None whatever; and yet so confident is the Senator in the soundness of his policy, that he exhorts the manufacturers to take the corrective into their own hands, and to bring this result about; and yet he complains of me as representing him too much of a hard-money man. I supposed in all this the Senator looked really to hard money; but whether he did or not is of little consequence, as the effect on labor and business will be the same. I was led to this conclusion, for I thought he would not wish to be understood as viewing one currency as most useful to the manufacturers and another to the country. If that were so, I could not understand why he did not propose to stop printing paper money as he advised. It appeared to me that he intended to go on to the expansion of the currency, and the remedy proposed a reduction to this standard of prices throughout the world. The Senator has spoken much of his friendship for laborers; but it is his practical views, policy, his means to be employed to secure prosperity, that I examined. I did not consider the part of his speech from which he has read, and consider the foundation of unjust remarks elsewhere, as an important or material portion of his reasoning. Such is the doctrine contained in the printed speech. It is before the world, and let then judge of it, and see whether I have brought the member nearer to being a friend of the hard-money system than he brings himself.

Extracts from Carter and Stone's Reports of the Proceedings and Debates in the Convention of 1821, assembled for the purpose of amending the Constitution of the State of New-York.

Extract from proceedings of Thursday, September 27, 1821, page 277.

RIGHT OF SUFFRAGE.

Mr. VAN BUREN felt himself called on to make a few remarks in reply to the gentleman from Delaware. He observed that it was evident, and indeed some gentlemen did not seem disposed to dispute it, that the amendment proposed by the honorable gentleman from Delaware contained in his speech was a wise and judicious measure. Mr. V. B. did not believe that there were any members of that committee, who, were the bare naked question of universal suffrage put to them, would vote in its favor; and he was very sure that its adoption was not expected, and would not meet the views of their constituents.

Mr. V. B. then replied to a statement made yesterday by his honorable and venerable friend from Erie, [Mr. Russell], in relation to the exclusion of soldiers who had fought at Quebec and Stony Point under the banners of Montgomery and Wayne. And he felt the necessity of doing this, because such cases, urged by such gentlemen as his honorable friend, were calculated to make a deep and lasting impression. But although a regard for them did honor to that gentleman, yet it was the duty of the Convention to guard against the admission of those impressions which sympathy in individual cases may excite. It was always dangerous to legislate upon the impulse of individual cases, where the law about to be enacted is to have a general operation. With reference to the case of

our soldiers, the people of this State and country had certainly redeemed themselves from the imputation that republics are ungrateful. With an honorable liberality they had bestowed the military lands upon them; and to gladden the evening of their days, had provided them with pensions. Few of those patriots were now living, and of that few, the number was yearly diminishing. In fifteen years, the grave will have covered all those who now survived. Was it not, then, unwise to hazard a wholesome restrictive provision, lest in its operation it might affect these few individuals for a very short time? He would add no more. His duty would not permit him to say less.

One word on the main question before the committee. We had already reached the verge of universal suffrage. There was but one step beyond. And are gentlemen prepared to take that step? We were cheapening this invaluable right. He was disposed to go as far as any man in the extension of rational liberty; but he could not consent to undervalue this precious privilege, so far as to confer it with an undiscriminating hand upon every one, black or white, who would be kind enough to condescend to accept it.

**END OF
TITLE**